

Impact Analysis of Tax Increment Financing

Prepared for:

Metropolitan Development and Housing Agency

August 5, 2022





Table of Contents

Executive Summary	ii
I. Introduction.....	1
Redevelopment Areas.....	2
Tax Increment Projects	3
II. Fiscal Impact Model.....	12
Metro Expenditures.....	12
Metro Revenues.....	16
Fiscal Impact Estimates.....	19
III. District Performance	22
Arts Center District.....	23
Capitol Mall District.....	28
East Bank District	31
Jefferson Street District	34
Phillips Jackson District.....	36
Rutledge Hill.....	39
Skyline District.....	42
One Bellevue Place.....	43
Comparison to Similar Areas.....	45
IV. Other TIF Contributions	47
Attractions	47
Mixed-Use Environment	47
Historic Preservation and Public Realm Improvements.....	49
Appendix Tables	



Executive Summary

Metropolitan Development and Housing Agency has used Tax-Increment Financing (TIF) over the past three decades as a key tool for implementing Redevelopment Plans. This report analyzes that history and estimates the fiscal impacts of TIF-supported projects.

TIF commits a portion of the future incremental property taxes above the current taxes generated by a designated TIF project to fill the financial gap between the costs of development and the private investment that the project's future revenues would justify. It is not a new tax, and it does not divert property taxes currently being received; rather, it commits tax revenues that Metro government would not receive without the project being developed. Tennessee law allows cities to define TIF districts that include multiple properties and cross-subsidize new development with the incremental tax revenues from nearby properties.

While most jurisdictions “sweep” property tax increment across an entire district in order to fund district-wide improvements, Metropolitan Development and Housing Agency (MDHA) has historically taken a conservative approach of making loans based on future TIF revenues only for a single development at a time and reimbursing the developer for specific costs as allowed by State law. The TIF revenues are pledged to repay loans secured by the property and guaranteed by the developer. Over the life of the TIF program in Nashville, priorities have shifted from commercial development to housing to hotels as redevelopment district needs and policies have changed.

Partners for Economic Solutions was hired to analyze the TIF program's fiscal impacts and to build an impact model that can be used to evaluate prospective TIF projects. The report analyzes the fiscal impact of the TIF projects and models their impact in a static-year review based on Metro Government's most recent budget for Fiscal Years 2021-2022. It includes the full range of revenues – property taxes not diverted by TIF, sales and business taxes, hotel taxes and intergovernmental taxes. On the cost side, the model focuses on the average cost of providing services to nighttime and daytime population as represented by residents, workers (a proxy for commercial development) and average daily visitors. Based on a line-by-line budget review and discussions with individual departments, General Fund operating costs (excluding debt service) are allocated across these three groups to estimate a factor for the average government costs associated with a new resident, worker or visitor. The analysis excludes services funded by Special Purpose Funds where costs are covered by fees, grants or other revenues, such as water/sewer service. For each TIF-supported



project, the numbers of new residents, workers and visitors are multiplied by the average cost factors to estimate the costs associated with that development. The average-cost approach is commonly used in assessing fiscal impacts.

Following are the results of the model for the seven MDHA redevelopment districts where TIF loans have been issued and One Bellevue Place, which received TIF through the Industrial Development Board.

Annual Metro Government Revenues Attributable to TIF-Supported Projects, FY2021-2022	
District	Net Fiscal Benefit
Arts Center	\$2,852,600
Capitol Mall	\$6,291,700
East Bank	-\$4,430,100
Jefferson Street	\$15,700
Phillips Jackson	-\$686,400
Rutledge Hill	\$1,768,900
Skyline	-\$83,600
One Bellevue Place	\$1,491,600
Total Net Fiscal Impact	\$7,220,400
Special Tourism Revenues	\$10,203,900
Debt Service Payments	\$11,257,600
Source: Partners for Economic Solutions, 2022.	

Overall, the TIF investments generated a positive net fiscal return of \$7.22 million to Metro’s General Fund in Fiscal Year 2021-2022. The returns vary by redevelopment district. For East Bank, Phillips Jackson and Skyline redevelopment districts, annual costs exceeded the revenues. In these districts, TIF has primarily supported residential development, which carries higher costs for schools and other resident-serving operations. Metro’s tax structure imposes a higher effective tax rate on commercial development deliberately so as to reduce the tax burden on residential properties and use commercial revenues to cross-subsidize the cost of serving residents. Few residential developments pay their own way fiscally. In Phillips Jackson, the return was impacted by the use of TIF



revenues to fund the Sounds ballpark; without that investment, the Phillips Jackson district would have generated revenues in excess of costs.

Beyond the General Fund revenues, these projects generated \$10.20 million in hotel occupancy taxes, which are earmarked to fund the Music City Center as well as tourism marketing and promotions. An additional \$11.26 million is generated to fund repayment of debt for capital improvements, reducing the burden on other property owners.

TIF investments have catalyzed extensive development elsewhere in the redevelopment districts as evidenced by the extent of new construction in the redevelopment districts from 2000 through 2021:

- 6,700 new apartments – up 800%
- 2,126 new condominiums
- 5,875 new hotel rooms – up 240%
- 3.2 million square feet of office space – up 39%
- 207,000 square feet of retail space – up 7%

By the 1990s, Downtown Nashville was left with minimal residential units after decades of suburbanization; MDHA TIF investment in The Cumberland Apartments in 1996 helped to demonstrate the viability and appeal of downtown residential development, leading to many small and large apartment and condominium projects that allowed Downtown's population to grow from 1,960 people in 2000 to 15,000 in 2021. That new population base has patronized restaurants and animated the downtown, helping to draw an ever-growing number of visitors. Most of the TIF-supported residential developments were required to set aside five percent of its units for lower-income households. Though those set-asides have now expired, they helped to disprove the myth that wealthier residents would not accept living with lower-income residents.

The value of properties throughout the redevelopment districts and in adjoining blocks have increased rapidly over the last two decades, exceeding the growth rate of values citywide and in comparable areas.

Nineteen historic preservation projects have received TIF support, including Ryman Auditorium, Hermitage Hotel, Dream Hotel, and the 300 Block of Broadway. Investment in the Omni Hotel, the anchor convention center hotel that supports the Music City Center, has allowed Nashville to emerge as a major competitor for national conventions. TIF dollars have supported several large-scale public facilities including the Country Music Hall



of Fame, Sounds Ballpark and the new National Museum of African American Music. Finally, the Riverfront Park and Amphitheatre, the Walk of Fame Park and other public realm improvements have enhanced Downtown's quality of place.

All told, Downtown has achieved a new vitality envied by many of its peer communities due, in part, to the investments leveraged by TIF.



I. Introduction

The Metro Council directed the Metropolitan Development and Housing Agency (MDHA) to analyze the fiscal impacts of the Tax Increment Financing (TIF) program used to fund many of Metro's key development projects. MDHA commissioned Partners for Economic Solutions (PES) to develop a fiscal impact model and to report on the results of TIF projects.

The State of Tennessee authorized the use of TIF to support redevelopment in 1978. TIF is now governed by the Uniformity in Tax Increment Financing Act of 2012.¹ The TIF Act allows redevelopment agencies to adopt a redevelopment plan for a defined district and then to collect incremental taxes for the purposes of paying the costs of public infrastructure, site acquisition and preparation, utility connections, site landscaping, stormwater facilities and bond financing. TIF in the redevelopment districts for authorized purposes is deemed to be in the "best interest of the state."

The tax increment is calculated as the difference between base year property taxes and current year property taxes where the base year taxes are established at the time of the creation of the district less payments pledged for bonded debt and five percent for administrative costs. MDHA has generally restricted its TIF for specific projects to the incremental taxes generated by that project, though the statute allows for use of incremental taxes from the redevelopment area as a whole. MDHA typically works with a local bank to borrow the funds and then enters into an agreement with the property owner whereby the property owner guarantees repayment of the cost of the specified public improvements in the event that the TIF revenues are insufficient to cover the costs. Each application for a TIF project is subject to due diligence review as to the need for TIF funds to achieve financial feasibility, what public benefit is being achieved and the project's ability to repay the loan. When MDHA has financed improvements for major projects, such as the Riverfront Park and Ascend Amphitheater or the First Horizon Park, revenues have been pledged from a series of specified parcels as well as TIF revenues from projects in the redevelopment area where the original TIF loans have been repaid, in accordance with the State statute. The TIF-backed loans are limited by the State to no more than 30 years. In the past, MDHA has used all of the TIF revenues received each year to repay the loan, accelerating repayments and reducing interest expense. Restructuring of TIF financing by Metro Council in 2020 introduced new guidelines that recommend limiting TIF revenues to 75 percent of the incremental tax revenues and that loans should be placed on fixed

¹ Tennessee Code Annotated §9-23-101 et seq.



payments schedules for a period of 15 years. Redevelopment area plans have a typical duration of no more than 30 years with some districts being amended and extended as in the case of Capitol Mall, Phillips Jackson and Rutledge Hill.

TIF-funded developments are subject to MDHA design guidelines, which assure quality through façade design, setbacks, height, materials, signage, access, parking, pedestrian network improvements, open space, landscaping, streetscape, hardscape, site furniture and lighting.

Redevelopment Areas

MDHA has a 44-year history of using TIF to support projects in redevelopment districts. Shown in the following map, the current redevelopment districts include:

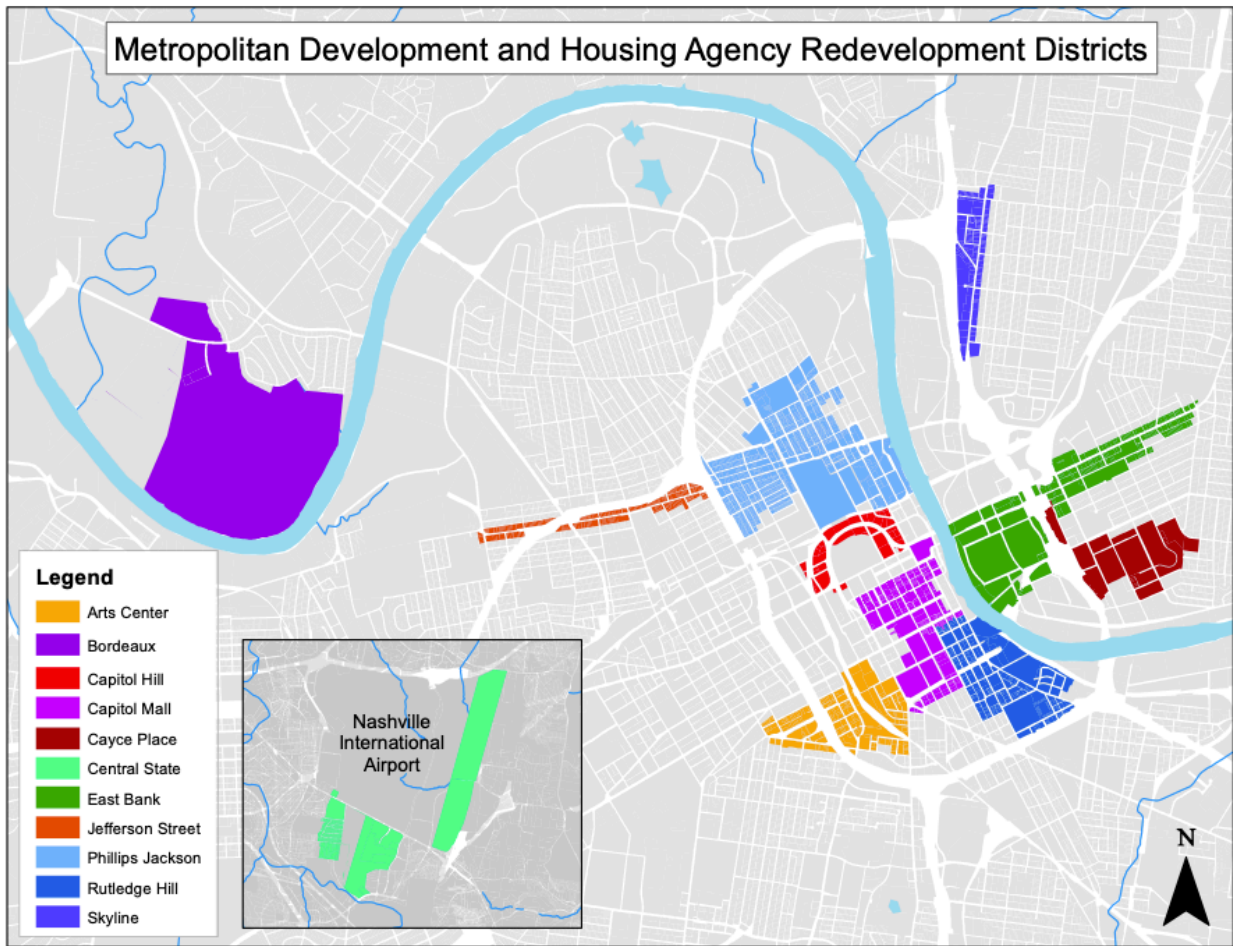
- Capitol Mall (formed in 1978)
- Arts Center (1998)
- East Bank (1996)
- Jefferson Street (2005)
- Phillips Jackson (1993)
- Rutledge Hill (1980)
- Skyline (2007)
- Bordeaux (2015)
- Cayce (2015)
- Central State (1999)

Established in 1991, the Five Points Redevelopment District expired in 2020.

This analysis focuses on the first seven districts listed above, districts with active TIF projects. Also included is the One Bellevue Place TIF project financed by the Industrial Development Board.

Through the years, TIF has supported such major public projects as the Omni Hotel supporting the Music City Center, the Country Music Hall of Fame, Riverfront Park and Amphitheater, Nissan Stadium for the Titans, Bridgestone Arena for the Predators, and First Horizon Park for the Sounds. Starting with Church Street Centre in 1989 and the Bell South project in 1992, TIF investments have spurred major private investments in

offices and hotels as well as downtown’s first new residential development, the Cumberland.



Tax Increment Projects

Table 1 lists the many projects that have received TIF funding. TIF loans have ranged in size from \$77,500 for the Eckerd (Rite Aid) drugstore in Phillips Jackson to the \$61.5 million for the Omni Hotel/ Country Music Hall of Fame project in Capitol Mall.



Table 1. Projects Supported by Tax Increment Financing

Name	Address	Project Year	TIF Amount	Year Paid Off	Estimated Retirement Date	Public Benefit	Description
Arts Center							
Braid Electric	1100 Demonbreun St	2000	\$1,200,000	2028		Adaptive reuse, Economic development	Adaptive reuse of an early 1950s building located on Demonbreun Street for office space.
Laurel House	1101 Laurel St	2001	\$700,000	2018		Affordable Housing	Located at 1101 Laurel Street, this is a mixed use redevelopment of the old Patrick Electric building consisting of 48 affordable, loft style apartments, and 14,000 square feet of office and retail.
Javanco/Mercury View Lofts	401 12th Ave S	2001	\$1,800,000	2028		Affordable component	Located at 1209 Pine Street and 12th Avenue South, this was the first phase of the redevelopment of the Gulch area. Industrial buildings were renovated for reuse as restaurant, retail and office space with apartments.
Icon	600 12th Ave S	2006	\$7,000,000	2017		Housing, Economic development	The Icon project includes 424 units with structured parking and ground floor retail. This project anchored the Gulch as a mixed use neighborhood.
Velocity in the Gulch	302 11th Ave S	2007	\$6,500,000		2028	Affordable component	This project includes 265 moderately priced condominiums in the Gulch with 425 parking spaces and 21,000 square feet of commercial space.
Ashford Project	321 12th St S	2011	\$200,000		2028	Affordable component	Adaptive reuse of an old industrial building. The property was renovated and houses the Turnip Truck as its primary tenant providing fresh food to residents of the Gulch.
Gulch Infrastructure (1212 Laurel St and 1201 Demonbreun)		2014	\$5,000,000	2020		infrastructure	Laurel Street infrastructure project in the Gulch including the construction of a duct bank to bury existing overhead high and low voltage lines within public rights of way. Supported development of 1212 Laurel St and 1201 Demonbreun St.
Gulch Crossing	1033 Demonbreun St	2014	\$4,000,000		2028	Economic development	The first high-rise class A office building in the Gulch and a furtherance of the Gulch Master Redevelopment Plan.
Westin Hotel	315 8th St S	2014	\$16,000,000		2034	Economic development	Approximately 450-room Westin Hotel development located at the KVB roundabout, adjacent to the Music City Center. The project includes retail space, conference/meeting space and approximately 200 parking spaces.



Table 1. Projects Supported by Tax Increment Financing (Continued)

Name	Address	Project Year	TIF Amount	Year Paid Off	Estimated Retirement Date	Public Benefit	Description
Gulch Thompson Hotel	401 11th Ave N	2015	\$4,000,000		2035	Economic development	Approximately 224-room Thompson Hotel with structured parking located in the Gulch and a furtherance of the Gulch Master Redevelopment Plan.
Capitol Mall							
Arena Property		1990	\$2,020,000	1996		Land assembly for arena	MDHA borrowed \$2 million backed by tax increment revenues to acquire and hold property across Broadway that had been used as the marshalling yard during the construction of the convention center. Bridgestone Arena now occupies the site.
BellSouth	333 Commerce St	1992	\$13,500,000	2002		Economic development	In the early 1990s, Bell South had offices scattered in at least 7 suburban locations around Nashville, most out of sight behind other facilities. It wanted to consolidate all these offices and to develop a visual presence in the community. Tax increment financing was used to help acquire a site in the central business district. This facility brought thousands of employees downtown and is commonly recognized as being pivotal to the resurgence of the central business district. Commonly called the "Batman Building," it has become a landmark on the Nashville skyline.
Ryman Auditorium	116 Opry Pl	1993	\$3,750,000	1999		Historic preservation	In 1993, owner used a tax increment loan to help restore the Ryman and reopen it as a premiere entertainment venue in downtown.
300 Block of Broadway		1994	\$87,150	1999		Historic preservation	Tax increment loans were made to the owners of several properties on Broadway to renovate facades.
Cumberland Apartments	555 Church St	1996	\$6,000,000	2022		Establishing residential market	By the early 1990s, the last vestiges of residential use had left downtown Nashville. The Cumberland Apartments represented a pioneering initiative to re-introduce residential uses to the downtown. The Cumberland Apartments paved the way for future downtown residential.
Marriott Courtyard Suites Hotel	170 4th Ave N	1997	\$13,000,000	2006		Historic preservation	Adaptive reuse of historic Third National Bank Building at Fourth and Church Streets.
Bennie Dillon	700 Church St	1998	\$1,500,000	2006		Historic preservation	A tax increment loan enabled developer to acquire the property from the bankruptcy trustee and convert it into downtown apartments.
Castner Knott	618 Church St	1998	\$1,850,000		2025	Historic preservation	A tax increment loan enabled a developer to acquire the distressed historic property, restore the original façade and convert the building to commercial space.



Table 1. Projects Supported by Tax Increment Financing (Continued)

Name	Address	Project Year	TIF Amount	Year Paid Off	Estimated Retirement Date	Public Benefit	Description
Hilton Suites	121 4th Ave S	1998	\$6,200,000	2006		Park, Public parking	The SoBro/Arena master plan envisioned a hotel and green space adjacent to the Country Music Hall of Fame and Arena. A tax increment loan enabled the hotel developer to build underground parking for the hotel and for the general public in such a way that a public park could be built on the surface.
Mathews Building	300 Broadway	1999	\$225,000	2006		Historic preservation	A tax increment loan allowed developer to restore the building at 300 Broadway and put upper floors back in use.
Cohen Building	421 Church St	2001	\$300,000		2025	Historic preservation	This is the adaptive reuse of an 1890 three story building located at 421 Church Street that was originally built as a residence.
Commerce Building	211 Commerce St	2001	\$6,565,000	2008		Public plaza, Economic development	Office tower, underground parking and a pedestrian plaza built to house Nashville Area Chamber of Commerce and private companies. Building tenants support retail/restaurant businesses located on historic 2nd Avenue/Broadway.
Hermitage Hotel	231 6th Ave N	2003	\$1,500,000	2018		Historic preservation	Located on 6th Avenue North at Union Street, this is the only commercial Beaux Arts structure in the State of Tennessee. A tax increment loan assisted \$17 million renovation of this 1910 structure.
Exchange Lofts	309 Church St	2004	\$730,000	2009		Historic preservation, Affordable component	Located at 309-313 Church Street, Exchange Lofts is the adaptive reuse of commercial and office buildings built in the late 1800s for 45 condominiums, ground level commercial space and a parking structure.
303 Church		2004	\$150,000	2009		Historic preservation, Affordable component	This is the conversion of an 1852 commercial building to twelve residential condominiums. A prior use of the building includes a grocery store operated by the then Mayor of Nashville in the 1860s.
Viridian Tower	411 Church St	2004	\$6,000,000		2030	Affordable component	Located at 415 Church Street, the Viridian is a 31 story 225 unit residential condominium development. It provided the first significant number of for-sale units in Downtown Nashville. It included the H.G. Hill Urban Grocery at ground level.
Ambrose Lofts	162 4th Ave N	2005	\$420,000	2009		Historic preservation, Affordable component	This is a historic rehabilitation of an existing building at 162 4th Avenue South. The building offers ground floor retail and 21 residential units.



Table 1. Projects Supported by Tax Increment Financing (Continued)

Name	Address	Project Year	TIF Amount	Year Paid Off	Estimated Retirement Date	Public Benefit	Description
Kress	231 5th Ave N	2005	\$650,000		2028	Affordable housing (20% of units)	Located on 5th Avenue North, the building was renovated with retail on the first floor and twenty residential condominiums on the upper floors.
Art Avenue Lofts	231 5th Ave N	2005	\$450,000	2009		Historic preservation, Affordable component	The historic building at 229-233 Fifth Avenue North was rehabilitated to include 24 residential units with ground floor retail.
301 Church Street Apts.	301 Church St	2005	\$140,000	2009		Affordable component	Conversion of building into 5 condominium units and 2,300 square feet of ground floor retail space.
OMNI Hotel/Country Music Hall of Fame		2011	\$61,500,000		2023	Museum	Assistance for new convention center hotel and substantial expansion of the Country Music Hall of Fame.
Parmenter Nashville City Center Garage	511 Union St	2013	\$1,600,000		2029	Public parking	In order to remain competitive in the office market, The Nashville City Center, constructed when downtown zoning restricted parking in office buildings, received a TIF loan for the construction of a parking garage. This garage also provides public parking during TPAC events in this part of downtown.
ACME Feed & Seed	101 Broadway	2014	\$400,000		2024	Historic preservation	Redevelopment of the former Acme Farm Supply Building, a downtown building listed on the National Register of Historic Places and built in 1890, into a mixed-use restaurant and entertainment venue.
505 Church St	515 Church St	2015	\$12,500,000		2025	Economic development	Redevelopment of a surface parking lot at the corner of Church St and 5th Ave N into a high-rise mixed-use development.
OMNI Hotel	250 5th Ave	2015	\$1,048,000		2037	Economic development	2015 Amendment for Downtown Parking Garage located at 5th Avenue and Church St.
21c Museum Hotel	221 2nd Ave N	2016	\$6,800,000		2040	Preserved historic façade	Rehabilitation of a historic structure into a boutique hotel with a contemporary art museum to be open to the public.
Dream Hotel	206-212 4th Ave N	2016	\$6,500,000		2040	Historic preservation	Rehab of the historic Utopia Hotel and façade restoration of the historic Embers/Climax building (both 19th century structures) into a new boutique hotel on 4th Ave.



Table 1. Projects Supported by Tax Increment Financing (Continued)

Name	Address	Project Year	TIF Amount	Year Paid Off	Estimated Retirement Date	Public Benefit	Description
Fifth + Broadway	500 Broadway/501 Commerce	2018	\$25,000,000		2040	Museum, Public parking, Retail in urban core	Upon completion of the Music City Center, the Metropolitan Government sought proposals to redevelop the old convention Center Site. Metro's selected developer proposed \$25 M of TIF to assist with the mixed use project that includes the National Museum of African American Music, office, retail, residential uses and public parking.
The Joseph Hotel	400 Korean Veterans Blvd	2018	\$4,500,000		2040	Economic development	Redevelopment of a surface parking lot into a 300 room hotel. The Developer has worked with Convention Center Authority on a large room block agreement to support the Music City Center.
Church Street Centre (1989) Watkins Institute (1998)		1989 and 1998	1989: \$6,480,000 1998: \$5,400,000	1989: 1998 1998: 2006		Main branch of downtown library	1989: A developer used TIF to assist with the development of a downtown retail mall situated on top of the city-owned parking garage. The TIF loan was repaid in full and the property became part of the site for the new downtown library. 1998: A tax increment loan was used to acquire and relocate the Watkins Institute to allow construction of new Downtown Library.
East Bank							
City View Lofts	800 Woodland St	2002	\$420,000	2012		Housing	Located at Woodland and S. 8th Street in Historic Edgefield, City View Lofts is a 30 unit, three story residential development with units ranging in size from 750 to 1,400 square feet.
5th and Main	535 Main St	2006	\$6,000,000		2025	Affordable component	This multi phase mixed use development contains 129 units of residential condominiums with ground floor retail. The LEED certified project is the first significant new construction on Main Street.
East Side Apartments = Amplify on Main	30 McFerrin Ave	2013	\$400,000		2025	Allowed development on adverse site conditions	The first new, all residential construction to take place on Main Street; includes townhomes and apartment buildings. The building quickly leased.
Jefferson Street							
1712 Jefferson St Apartments	1712 Jefferson St	2016	\$350,000	2021			Planned redevelopment of a distressed building into a new apartment development. Debt was retired in 2021 due to non-performance.
1821 Jefferson Mixed-Use Development	1821 Jefferson St	2016	\$628,000		2040	Economic development	Redevelopment of a vacant, distressed building into a new apartment development with ground level retail.



Table 1. Projects Supported by Tax Increment Financing (Continued)

Name	Address	Project Year	TIF Amount	Year Paid Off	Estimated Retirement Date	Public Benefit	Description
Phillips Jackson							
Kroger	800 Monroe St	1994	\$300,000	2003		Open space (the relocation allowed for Bicentennial Mall to be constructed)	When the State Bicentennial Mall was being developed, an existing store at the old Farmers Market had to be acquired and cleared. A tax increment loan allowed Kroger Corporation to construct a full service grocery store on Rosa Parks Boulevard. This was the most substantial new investment in the Jefferson Street area in decades.
Rite Aid Drugstore	1104 Rosa L Parks Blvd	1996	\$77,500	2008		Economic development	Prompted by the decision of Kroger to build a new supermarket, property owner developed a new drugstore for the area. With the help of a tax increment loan, the new drug store was built, signaling that there was a solid market for retail development in the area.
Jubilee Restaurants	1036 Jefferson St	1999	\$100,000	2009		Historic preservation, Affordable component	Adaptive reuse of vacant church to create restaurant and entertainment venue on Jefferson Street.
Gerst Haus		1999	\$100,000	2009		Relocation to allow for Titans Stadium	The Gerst Haus, a German-American restaurant, had been an East Nashville fixture since the 1950s. Its property had to be acquired as part of the site assembly for the new NFL Stadium on the East Bank. To assist with the relocation and to allow it to remain near its original location, a tax increment loan was provided.
Row 8.9 Condominiums	1100 Block of Rosa L Parks Blvd	2002	\$1,300,000	2012		Affordable component	Located at Locklayer St. and Rosa Parks Blvd., Row 8.9 was the first large scale redevelopment project built in Hope Gardens as part of the Phillips Jackson Redevelopment District. A used car lot and other property were acquired by MDHA and a developer built 29 town homes at the entrance to Hope Gardens and Jefferson St. In the last 15 years some 200 new homes have been constructed in the Hope Gardens neighborhood.
Germantown Partners	1200 5th Ave N	2003	\$300,000	2003		Economic development, Housing	Located at 1201 5th Avenue North in Germantown, this was the redevelopment of the Sentell industrial property for retail and residential uses.
Ireland Street Townhomes	900 Block of Ireland St	2003	\$350,000	2012		Affordable component	Located in Hope Gardens, Ireland Street Townhomes are 28 contemporary homes built on a rise facing downtown Nashville and the State Capitol.



Table 1. Projects Supported by Tax Increment Financing (Continued)

Name	Address	Project Year	TIF Amount	Year Paid Off	Estimated Retirement Date	Public Benefit	Description
942 Jefferson Partners LP	942 Jefferson St	2008	\$92,096	2012		Affordable housing	Fifteenth Avenue Baptist Community Development Corporation redeveloped a blighted parcel into a new building consisting of 6,000 square feet of commercial space on the first floor and 12 residential apartments on the second and third floors.
Jefferson St. Lofts	304 Jefferson St	2008	\$800,000	2015		Affordable component	The project includes a 71 unit apartment building for low and moderate income households with a small corner retail space.
Glanton Office/ 915 Jefferson Street	915 Jefferson	2009	\$175,000	2015		Economic development	Attorney has redeveloped his property at 915 Jefferson Street with a mixed use project that includes 8,500 square feet of office space with ground floor retail.
Werthan Project (2003) Werthan Mills (2007)		2003 and 2007	2003: \$1,250,000 2007: \$4,000,000	2003: 2014 2007: 2015		Historic preservation, Affordable component	2003: Located in Germantown, this was the first phase of residential redevelopment of the Werthan Mills industrial buildings dating from 1869 and focused on the Hume Street building. 2007: This is the second phase of redevelopment of the historic Werthan Mills site in the Germantown Neighborhood for residential development.
Sounds Ballpark (2013) Sounds Ballpark Additional Funds (2015)		2013 and 2015	2013: \$28,000,000 2015: \$8,478,736		2013: 2043 2015: 2023	Sports entertainment, Environmental remediation	2013: Metro-directed land purchase and development of a new baseball park for the Nashville Sounds located in Sulphur Dell. 2015: Additional funds for the Metro-directed Nashville Sounds ballpark to cover increased construction costs related to soil remediation, increased subcontractor pricing, weather delays and park upgrades.
Rutledge Hill							
EOA Architects	400 4th Ave S	1994	\$150,000	2009		Historic preservation	Adaptive reuse of 1874 St. Paul AME Church for architectural firm.
Encore	301 Demonbreun	2006	\$5,000,000	2013		Affordable component	Developer assembled several parcels of land at the intersection of Demonbreun and 3rd Avenue South across from the new Symphony Center and constructed a twenty-story mixed-use development consisting of 333 condominium units and approximately 22,000 square feet of ground-floor retail space with structured parking to accommodate the development – the first residential development south of Broadway.
General Hospital Buildings	201 Middleton St	2007	\$3,000,000		2025	Historic preservation, Affordable component	Historic rehabilitation of the two hospital buildings on Rolling Mill Hill. The buildings were adaptively reused as 36 condominiums with another 36 units constructed in a new building with underground parking and an amenity deck.



Table 1. Projects Supported by Tax Increment Financing (Continued)

Name	Address	Project Year	TIF Amount	Year Paid Off	Estimated Retirement Date	Public Benefit	Description
Trolley Barns at Rolling Mill Hill	Peabody St	2013	\$617,100		2028	Historic preservation	Adaptive reuse of former Public Works Department buildings built in the 1940s as part of the New Deal into a mixed-use development with creative office space and a full-service restaurant. Buildings are listed on the National Register of Historic Places.
Terra House at Rolling Mill Hill	115 Middleton St	2014	\$649,500	2018		Environmental remediation	Assistance for soil remediation for the first mixed-use residential development at Rolling Mill Hill and a furtherance of the Rolling Mill Hill Master Redevelopment Plan.
River House at Rolling Mill Hill	4 Academy Pl	2015	\$525,000	2020		Environmental remediation	Assistance for soil remediation for phase 2 mixed-use residential development at Rolling Mill Hill and a furtherance of the Rolling Mill Hill Master Redevelopment Plan.
Peabody Plaza	45 Peabody St	2018	\$7,900,000		2040	Public plaza, Public parking	Redevelopment of a surface parking lot into a 220,000 square foot mixed-use office building with ground-floor retail. In addition, developer is providing substantial underground parking which will be used to off-set the loss of parking space that resulted from the new construction. A portion of these spaces are pledged for exclusive use of Trolley Barns tenants.
SoBro	205 Demonbreun	2014	\$3,000,000		2024	Public parking	High-rise mixed-use residential project in SoBro providing 150 structured parking spaces dedicated for public use.
Riverfront Park and Amphitheater			\$10,106,000		2023	Public open space / amphitheater	Metro-directed park and amphitheater project located in Sobro along the Cumberland River on the site of the former Thermal Transfer Plant.
Skyline							
First North Townhouse Development	1102 Dickerson	2016	\$140,000		2025	Housing	Redevelopment of an underused parking lot into a new townhome development. The first TIF project in the Skyline Redevelopment District.
One Bellevue Place							
One Bellevue Place Retail	Sawyer Brown Rd	2015	\$12,300,000			Economic development	Redevelopment of Bellevue Mall for a mixed-use development with retail, restaurants, apartments, senior housing and a hotel.
Hilton Home2Suites	One Bellevue Place						
Clarendale at Bellevue Place	7632 Highway 70 S						
The Sawyer at One Bellevue Place	8075 Sawyer Brown Rd						
Source: Metropolitan Development and Housing Agency; CoStar, 2022; Partners for Economic Solutions, 2022.							



II. Fiscal Impact Model

PES has developed a fiscal impact model to measure the effects of TIF-backed projects on the Metro budget. The model relates Metro government spending by the groups served:

- residents;
- businesses and their workers; and
- visitors.

The model assumes that a single worker requires services and benefits from law enforcement, public works, fire protection and general Metro government expenditures in equal proportion to a single resident or a single out-of-town visitor (measured as an average daily visitor). Using the most recent available data, Davidson County had 715,884 residents in 2020², 540,667 employees³ in 2019 and 16.2 million annual visitors⁴ in 2019. Estimates of the number of workers in new TIF-supported projects are based on 250 square feet per office worker, 400 square feet per retail worker, 250 square feet per restaurant worker, one worker per 50 residential units and 0.6 hotel workers per room. The estimates reflect industry standards adjusted to match core area⁵ employee counts provided by the U.S. Census Longitudinal Employer Household Dynamics program and total space inventories provided by CoStar. Depending on the district, residents in new units are estimated at 1.0 to 3.26 persons per household based on data provided by Esri, a national demographic data provider, excluding 5.0 percent of units for vacancies and 5.0 percent for short-term rentals. Visitor counts reflect pre-pandemic hotel occupancy levels of 78.6 percent as reported by CoStar and an average of 1.8 persons per room. Other model assumptions appear in Appendix Table A-1.

Metro Expenditures

The Metro Government budget is broken down into three funds:

- General Services District⁶ (GSD) General Fund (operations and debt service);

² U.S. Census of Population

³ Workers in all jobs reported to the Longitudinal Employer Household Dynamics program

⁴ Estimated by Nashville Convention and Visitors Corporation. Equivalent to 159,781 average daily visitors.

⁵ Area within the highway loop formed by I-65, I-40 and I-24.

⁶ Encompasses all of Davidson County.



- Urban Services District⁷ (USD) (operations and debt service); and
- Special Purpose Funds.

The special purpose funds are for services intended to pay their own way. Key among those are:

- Music City Center;
- Municipal Auditorium;
- Ryman Auditorium;
- Nissan Stadium;
- Bridgestone Arena;
- First Horizon Park;
- the water and sewer system; and
- Downtown's district energy system.

Their budgets are set in accordance with dedicated revenue streams, such as hotel taxes, water/sewer fees, ticket sales, etc. This analysis excludes those funds on the basis that users and beneficiaries bear the costs directly. Special purpose funds also include activities supported by grant dollars provided for specific activities, court fines and forfeitures, recreation fees, and other non-tax payments.

This impact analysis focuses on Fiscal Year 2022 General Fund operating expenditures, excluding revenues and costs of debt service for capital expenditures.

The budget is further organized into nine key categories:

- general government;
- justice and law enforcement;
- fire, infrastructure and transportation;
- regulation, inspection and conservation;
- social and health services;
- libraries, recreation and culture;
- education;
- debt service; and
- four-percent reserve fund.

⁷ Defined by the former boundaries of the City of Nashville.



Appendix Table A-2 itemizes the Metro operating budget by function area. Detailed review of line-item spending allowed distinctions among types of expenditures focused primarily on local residents (e.g., schools and health) and those with more widespread benefits. Discussions with budget officials and representatives of key individual departments identified specific services that focus on downtown, such as police and fire department safety personnel deployed on weekends and during major events. The costs of such services were calculated separately to assure full attribution. The estimates of Metro Nashville Public Schools expenditures by Metro Government associated with Capitol Mall, Arts Center, Rutledge Hill and Phillips Jackson reflect the fact that households in these redevelopment districts have many fewer school-aged children than does the average county household.

The detailed expenditure analysis yielded the following set of factors for the estimate of the share of expenditures attributable to projects funded with TIF dollars. Calculation details for each expenditure category are summarized in Appendix Tables A-3 through A-11.



Table 2. Metro Government Expenditures per Worker, Employee and Visitor by Function, FY 2022

Government Function	Expenditures per		
	Resident	Employee	Visitor
General Government and Fiscal Administration	\$79.63	\$79.63	\$79.63
Justice Administration & Law Enforcement			
Basic Justice and Law Enforcement Services	\$123.60	\$123.60	\$123.60
Metro Police Except Events - Central Zone 4	\$154.41	\$154.41	\$154.41
Metro Police Except Events - North Zone 6	\$268.83	\$268.83	\$268.83
Metro Police Except Events - East Zone 2	\$339.99	\$339.99	\$340.00
Metro Police Except Events - West Zone 1	\$157.45	\$157.45	\$157.45
Metro Police Weekend & Event Crowd, Traffic Control	\$4.94	\$0.00	\$22.15
Fire, Infrastructure & Transportation			
Basic Services	\$158.17	\$158.17	\$158.17
Fire, EMS Services for Weekends & Events	\$0.16	\$0.00	\$0.70
Regulation, Inspection & Conservation	\$10.11	\$10.11	\$10.11
Social & Health Services			
Resident-Serving Functions	\$50.96	\$0.00	\$0.00
Environmental Health Serving Restaurants, Hotels	\$0.19	\$0.38	\$0.38
Libraries, Recreation & Cultural			
Resident-Serving Functions	\$54.26	\$0.00	\$0.00
Parks & Recreation - Visitor Attractions	\$67.13	\$0.00	\$0.00
Parks & Recreation Except Visitor Attractions	\$0.00	\$0.00	\$3.65
Metro Sports Authority	\$1.59	\$0.00	\$2.38
Municipal Auditorium	\$0.00	\$0.00	\$0.00
Education			
Arts Center	\$586.55	\$0.00	\$0.00
Capitol Mall	\$706.59	\$0.00	\$0.00
East Bank	\$1,506.43	\$0.00	\$0.00
Jefferson St	\$2,125.68	\$0.00	\$0.00
Phillips Jackson	\$969.97	\$0.00	\$0.00
Rutledge Hill	\$494.71	\$0.00	\$0.00
Skyline	\$1,834.89	\$0.00	\$0.00
One Bellevue Place	\$872.23	\$0.00	\$0.00
Other Resident-Serving Funds & Administrative			
Hospital, Metro Action Commission	\$79.81	\$0.00	\$0.00
Administrative	\$186.31	\$186.31	\$186.31
Metro Transit Authority	\$26.64	\$52.73	\$26.64
Self-Supporting Functions	\$0.00	\$0.00	\$0.00
4% Reserve Fund	\$47.34	\$38.08	\$38.19

Source: Metropolitan Nashville/Davidson County FY2022 Operating Budget, 2021; and Partners for Economic Solutions, 2022.



Metro Revenues

TIF projects generate more revenues than just the real property taxes subject to TIF. The properties and their residents, tenants and visitors generate a range of sales taxes, personal property taxes, wheel taxes, hotel occupancy taxes and business taxes as well as continuing to contribute at least the same level of real property taxes as paid before TIF. The projects also generate one-time revenues during their construction, including building permit fees and sales taxes on construction materials. These one-time revenues are excluded from the comparison of annual expenditures and revenues.

Property Taxes

For real property taxes, MDHA tracks the taxes assessed and paid by each development on an annual basis. They track total taxes, the share of taxes eligible for TIF (excluding revenues pledge to debt service), base year taxes from the year of the projects' development agreement, and incremental taxes used to service the TIF debt. MDHA does not draw all of the available increment each year. Some project loans have been repaid. Many others were refinanced in 2020 to free up revenues for the Metro General Fund. Each year, MDHA prepares a detailed accounting of the incremental tax revenues, outstanding debt obligations, the annual revenues required to cover debt payments and the five-percent administrative fee paid to MDHA. MDHA does not expend the full administrative fee and credits roughly 21 percent of the fee to pay debt service the following year, thus reducing the amount requested from the General Fund. This accounting provides the basis for estimating real property tax revenues for each TIF redevelopment district. The model uses the actual taxes paid and the portion of those taxes not pledged for debt payments.

Personal property taxes are paid by non-residential entities on the depreciated value of their equipment and furnishings. Estimated on a per-square-foot or per-room investment, the model assumes 50-percent depreciation. The values are then subject to the 40-percent assessment ratio and the current property tax rate (excluding debt service).

Wheel taxes are \$55 and \$66 per year for residential and commercial vehicles, respectively. Census data indicates an average of 1.2 vehicles per residential households. Commercial vehicles are estimated at 0.1 per 1,000 square feet of commercial space and 2.0 per 100 hotel rooms.



Local Option Sales Taxes

Metro government collects a local option sales tax on sales of goods and some services (up to \$1,600) at a rate of 2.25 percent of sales. TIF-related sales taxes include:

- taxes collected by TIF project retailers and restaurants;
- worker spending at lunch and after work;
- resident spending; and
- visitor spending.

Retailers are estimated to average sales of \$300 per square foot with restaurants and bars averaging sales of \$400 per square foot. Based on the Downtown Partnership's directory of businesses, 12 percent of retail space is assumed to be occupied by non-sales-tax-paying services and offices.

To fund the Music City Center in 2009, Metro Government created a Tourism Development Zone (TDZ) under Tennessee State law. The increase in State and Local Option Sales Taxes collected in the TDZ is pledged to repay bonds issued for the convention center construction. The TDZ takes the increase in sales taxes over the 2013 base year as adjusted by the Metro-wide increase in sales taxes. The percentage of local option sales taxes in the TDZ diverted from the General Fund varies over time depending on the performance of the local economy. In 2014, the first year, 7.25 percent of local sales taxes were diverted from the General Fund (\$2.5 million). In 2019, 20.56 percent was diverted (\$12.5 million). With the economic downturn associated with the Covid-19 pandemic, only 7.81 percent was diverted in 2020 (\$4.3 million) and no tax funds were diverted in 2021. In keeping with the other assumptions, the model used the 2019 percentage to adjust estimated sales taxes, reducing estimated sales taxes by 20.56 percent.

Worker spending reflects the International Council of Shopping Centers' analysis of office worker spending at work, which estimates that each worker spends an average of \$15 per day (240 days per year) for food, drinks and retail goods near their work. To be conservative, this model excludes all hotel, retail and restaurant workers from the worker spending assumptions as their incomes and spending patterns are more difficult to judge.

Resident spending is calculated based on spending patterns reported in the Bureau of Labor Statistics' Consumer Expenditure Survey, focusing on non-housing and non-transportation spending and excluding an estimated 18 percent of expenditures made online or out of town.



The Nashville Convention and Visitors Corporation commissioned a visitor survey in 2019 to determine visitor characteristics and their activities in Nashville. That survey reported the typical overnight visitor came in a party of 2.5 persons, stayed an average of 3.6 nights in the city and spent an average of \$447 per day (excluding airfare) – \$188 for overnight lodging and \$239 for eating, drinking, entertainment, retail goods and other non-transportation expenditures.

Local option sales tax revenues are split one-third to the General Fund and two-thirds to Metro Nashville Public Schools.

Business Taxes

Retailers and restaurants are subject to business taxes, calculated at 0.15 percent of gross receipts for restaurants and 0.1875 percent for retail businesses.

State Sales Taxes

The State of Tennessee imposes a 7.0-percent sales tax on all retail sales except for unprepared foods taxed at 4.0 percent. A portion of those tax revenues are returned to incorporated municipalities based on population levels. In FY2021, that amounted to \$67 per capita.

Hotel and Short-Term Rental Occupancy Taxes

Though dedicated to special purpose funds, the occupancy taxes collected by TIF-supported hotels and short-term rental units contribute significantly to the region's tourism industry and Music City Center capital and operating costs. Metro Government receives 6.0 percent of hotel room and short-term rental revenues and an event and marketing surcharge of \$2.50 per room-night for promotion and activities. Music City Center receives 1.88 percent of these revenues – 1.0 percent for debt service and 0.88 percent for operating costs and new convention center project. Two percent goes for the tourism promotion contract with the Nashville Convention and Visitors Corporation with 0.12 percent for Tourist Development Zone activities, 1.0 percent for capital improvements for businesses and organizations providing tourist-related activities and 1.0 percent to a special revenue fund for program-related purposes. Metro Government retains 1.0 percent from the short-term rental occupancy taxes for the General Fund.



Fiscal Impact Estimates

PES estimated the net fiscal returns to Metro Government from TIF-supported projects in each redevelopment district. For each district, the number of new residents, workers and visitors were calculated and expenditures estimated based on the factors shown in Table 1. Revenues were estimated as described above. Table 3 summarizes the estimates of residents, workers and daily visitors generated by TIF-supported projects. The model estimates the revenues and expenditures associated with the specific TIF-funded projects. It does not measure the overall returns including spin-off benefits such as higher property values for surrounding properties.

TIF-Project Generated Populations	Redevelopment District							One Bellevue Place
	Arts Center	Capitol Mall	East Bank	Jefferson Street	Phillips Jackson	Rutledge Hill	Skyline	
Residents	1,586	1,755	1,470	16	693	1,083	24	807
School-Age Children	140	187	334	5	101	81	7	106
Workers	2,909	6,576	117	15	247	1,549	-	782
Visitors	1,043	1,865	38	1	34	88	1	195

Source: Partners for Economic Solutions, 2022.

The resulting estimates of General Fund expenditure and revenue are summarized in Table 4. Also shown are hotel and short-term rental occupancy taxes, which are earmarked for the Music City Center and tourism promotion.

The net fiscal impacts are as follows along with the tourism-related special fund revenues and revenues for capital debt payments:

Redevelopment District	Net Fiscal Impact	Special Tourism Revenues	Debt Payment Revenues
Arts Center	\$2,852,600	\$3,264,100	\$2,736,900
Capitol Mall	\$6,291,700	\$5,852,800	\$5,568,700
East Bank	-\$4,430,100	\$113,300	\$270,000
Jefferson Street	\$15,700	\$4,000	\$12,700
Phillips Jackson	-\$686,400	\$100,600	\$551,300
Rutledge Hill	\$1,768,900	\$261,500	\$1,438,500
Skyline	-\$83,600	\$2,000	\$5,700
One Bellevue Place	\$1,491,600	\$605,600	\$673,800
Total	\$7,220,400	\$10,203,900	\$11,257,600



The net fiscal impacts vary on a district level based on a few key aspects, notably the types of land uses that have been supported through TIF. For the three districts in which expenditures exceeded revenues – East Bank, Phillips Jackson and Skyline – TIF projects are almost exclusively residential developments. In general, commercial uses such as office, hotel and retail provide a significantly higher return to Metro’s General Fund than do residential uses. Residential properties are assessed at 25 percent of market value as compared with commercial uses that are assessed at 40 percent of market value, so their property taxes are markedly lower. With the high share of Metro Nashville’s budget dedicated to public schools, residential uses that bring new school children naturally incur higher public costs than do commercial uses. In general, residential development does not pay its own way except in the extreme cases of high-value condominiums or houses. The public costs associated with new development in East Bank are likely overstated due to the methodology⁸ that estimates the number of school-aged children based on the makeup of all households in the district. For East Bank, this results in an estimate of 22.7 percent of the new population being school-aged children as compared with 8.9 percent in the Arts Center district, which likely overstates the number of children in the East Bank multi-family developments supported by TIF.

Also impacting individual district’s performance are the TIF revenues pledged to support major capital improvements. The Capitol Mall impact reflects the TIF revenues dedicated to repay \$61.5 million in loans for the Omni Convention Hotel and the Country Music Hall of Fame. Phillips Jackson TIF revenues are used to fund \$36.5 million in debt for the Sounds Ballpark. Rutledge Hill TIF revenues covered the \$10.1 million in costs for Riverfront Park and Amphitheater.

⁸ The share of education expenditures attributable to each redevelopment district was estimated based on the number of children aged 4 to 17 living in each redevelopment district in 2021 (Esri estimates) as a share of Metro-wide school-aged children. Those expenditures were then translated into a cost per resident.



Table 4. Annual Metro Government Revenues and Expenditures Attributable to TIF-Supported Projects by Redevelopment District, FY 2021-2022

	Redevelopment District							One Bellevue Place	Total
	Arts Center	Capitol Mall	East Bank	Jefferson Street	Phillips Jackson	Rutledge Hill	Skyline		
Annual General Fund Revenues									
Real Property Tax	\$12,308,100	\$25,368,800	\$1,332,100	\$63,200	\$3,737,400	\$6,562,500	\$28,400	\$2,999,800	\$52,400,300
Less Debt Service Payments	\$2,736,900	\$5,568,700	\$270,000	\$12,700	\$551,300	\$1,438,500	\$5,700	\$673,800	\$11,257,600
Less TIF Payments	\$3,503,800	\$9,488,800	\$837,000	\$49,000	\$2,682,900	\$1,246,600	\$21,000	\$1,270,700	\$19,099,800
Net Real Property Tax	\$6,067,500	\$10,311,300	\$225,100	\$1,400	\$503,200	\$3,877,400	\$1,700	\$1,055,300	\$22,042,900
Personal Property Tax	\$104,100	\$219,200	\$3,200	\$500	\$7,900	\$28,800	\$0	\$34,300	\$398,000
Local Option Sales Tax	\$575,000	\$973,800	\$237,800	\$14,000	\$259,100	\$220,300	\$3,300	\$600,600	\$2,883,900
Business Tax	\$45,900	\$158,500	\$7,900	\$2,900	\$39,200	\$26,900	\$0	\$133,700	\$415,000
Wheel Tax	\$74,900	\$117,800	\$33,200	\$1,200	\$30,000	\$79,100	\$600	\$37,200	\$374,000
Short-Term Rental Occupancy Tax	\$47,000	\$71,200	\$22,300	\$800	\$19,800	\$51,500	\$400	\$23,800	\$236,800
Intergovernmental Transfers	\$381,600	\$642,500	\$206,500	\$7,100	\$160,300	\$189,700	\$3,100	\$255,500	\$1,846,300
General Fund Revenues	\$7,296,000	\$12,494,300	\$736,000	\$27,900	\$1,019,500	\$4,473,700	\$9,100	\$2,140,400	\$28,196,900
Local Option Sales Tax to Schools									
Local Option Sales Tax	\$1,105,600	\$2,204,300	\$475,500	\$28,000	\$518,200	\$455,400	\$6,700	\$1,201,200	\$5,994,900
Total Revenues	\$8,401,600	\$14,698,600	\$1,211,500	\$55,900	\$1,537,700	\$4,929,100	\$15,800	\$3,341,600	\$34,191,800
Annual General Fund Expenditures									
General Government and Fiscal Administration	\$441,000	\$811,900	\$129,400	\$2,600	\$77,600	\$216,500	\$2,000	\$142,100	\$1,823,100
Justice Administration & Law Enforcement	\$1,365,800	\$1,511,300	\$2,084,300	\$19,300	\$834,700	\$932,600	\$34,000	\$702,300	\$7,484,300
Fire, Infrastructure & Transportation	\$876,900	\$1,614,300	\$257,200	\$5,100	\$154,200	\$430,500	\$4,000	\$282,500	\$3,624,700
Regulation, Inspection & Conservation	\$55,900	\$103,100	\$16,500	\$400	\$9,800	\$27,500	\$200	\$18,100	\$231,500
Social & Health Services	\$82,600	\$93,000	\$75,200	\$800	\$35,600	\$56,000	\$1,200	\$41,700	\$386,100
Libraries, Recreation & Cultural	\$201,300	\$227,000	\$181,000	\$2,000	\$85,400	\$133,700	\$3,000	\$100,400	\$933,800
Education	\$930,300	\$1,240,100	\$2,214,500	\$0	\$672,200	\$535,800	\$44,000	\$0	\$5,636,900
Other Resident-Serving Funds & Administrative	\$1,381,800	\$2,482,800	\$466,500	\$8,500	\$269,100	\$706,100	\$7,200	\$464,700	\$5,786,700
4% Reserve Fund	\$213,400	\$323,400	\$217,000	\$1,500	\$85,500	\$121,500	\$3,800	\$98,200	\$1,064,300
Total General Fund Expenditures	\$5,549,000	\$8,406,900	\$5,641,600	\$40,200	\$2,224,100	\$3,160,200	\$99,400	\$1,850,000	\$26,971,400
Net Fiscal Surplus/(Deficit)	\$2,852,600	\$6,291,700	-\$4,430,100	\$15,700	-\$686,400	\$1,768,900	-\$83,600	\$1,491,600	\$7,220,400
Special Fund Revenues									
Hotel Occupancy Tax	\$2,734,100	\$4,953,500	\$0	\$0	\$0	\$0	\$0	\$438,200	\$8,125,800
Hotel Events and Marketing Tax	\$135,500	\$245,500	\$0	\$0	\$0	\$0	\$0	\$21,700	\$402,700
Short-Term Rental Occupancy Tax	\$234,900	\$355,800	\$111,600	\$4,000	\$99,100	\$257,600	\$2,000	\$118,900	\$1,183,900
CBID Admin Sales Tax	\$159,600	\$298,000	\$1,700	\$0	\$1,500	\$3,900	\$0	\$26,800	\$491,500
Total Special Fund Revenues	\$3,264,100	\$5,852,800	\$113,300	\$4,000	\$100,600	\$261,500	\$2,000	\$605,600	\$10,203,900

Source: Metropolitan Nashville/Davidson County FY2022 Operating Budget, 2021; The Metropolitan Government of Nashville & Davidson County Revenue Manual FY2021-2022, 2021; Metropolitan Development and Housing Agency; and Partners for Economic Solutions, 2022.



III. District Performance

The preceding fiscal impact model is conservative in that it focuses only on the specific projects that have received TIF funding. Conservative in that the primary goal of redevelopment plans that TIF helps implement is to spur redevelopment and economic development. While the real property taxes are diverted for the TIF projects themselves, the projects' presence helps to spur additional development and higher property values among nearby properties. In the largest, most active redevelopment districts – Arts Center, Capitol Mall, Phillips Jackson and Rutledge Hill – the total values of real properties have increased 769 to 2,815 percent since 2001, much more than the 360-percent increase in total Metro-wide property values.

Clearly, TIF funding alone is not responsible for these developments and resulting tax revenues. Development decisions reflect a wide range of factors including market support, market risks, access to financing, suitable sites, anchors that generate activity and quality environments. In Downtown Nashville, much of the success has come from the confluence of strategic public investments in close proximity to each other, mixed-use development and strong economic conditions. Metro Government and MDHA have taken many steps that have shaped Downtown Nashville. Focusing the region's major tourism, entertainment and cultural institutions in close walking distance of each other has created a synergy of multiple attractions and activity centers. That combination of facilities and activities has created a major tourist destination and a booming tourism economy for the region.

A common critique of TIF is that it funds projects that would have occurred anyway or elsewhere in the region. It is seldom possible to “prove” that a project could not happen without public incentives, because too many factors influence the decisions. Some of the TIF projects might have happened anyway, or happened elsewhere in the region, but they might not have developed as soon if they had to wait for other downtowns to prove the strength of close-in housing. Downtown housing has achieved rents and property values much higher than in other parts of the city, meaning that the same development located in a more suburban location would pay lower property taxes initially and over the long term.

What TIF has done is fill financial gaps, reduce the risks of development, provide valuable infrastructure, clean up environmental hazards and improve the public realm, creating better conditions for private development.



Development activity in the seven MDHA redevelopment districts and at One Bellevue Place has varied significantly through the years. That variation reflects the nature of the specific projects, different levels of market support and the synergistic effects of clustering projects and other investments.

Arts Center District

Better known as The Gulch, the Arts Center District has completely reinvented itself over the past 24 years since adoption of the Redevelopment Plan in 1998. Starting from a low-density industrial area along the railroad tracks, the district has evolved into a thriving mixed-use community with apartments, condominiums, office space and two major hotels. The District was expanded to stabilize the Music Row area following relocation of the Country Music Hall of Fame. Total real property market values (as appraised by the Metro Nashville Property Assessor) grew 2,521 percent from \$109 million in 2001 to \$2.85 billion in 2021 – a 25-fold increase. That compares with a 360-percent increase in citywide property values over the same time period. In just the last eight years, the district’s total property value grew by 470 percent. The buffer district of roughly 500 feet beyond the district’s boundaries (except to the east where the district meets the Capitol Mall district border), which benefited from the Arts Center District’s development momentum increased its total property value by 370 percent from 2013 to 2021.

Major TIF projects included:

- Velocity in the Gulch, ICON and 1212 Laurel condominiums;
- 1201 Demonbreun and Gulch Crossing office buildings; and
- Westin and Thompson hotels.

Public investments to extend Division Street across the railroad tracks, bury major electrical lines and upgrade the area’s infrastructure made possible projects that could not otherwise have afforded to pay those costs individually.

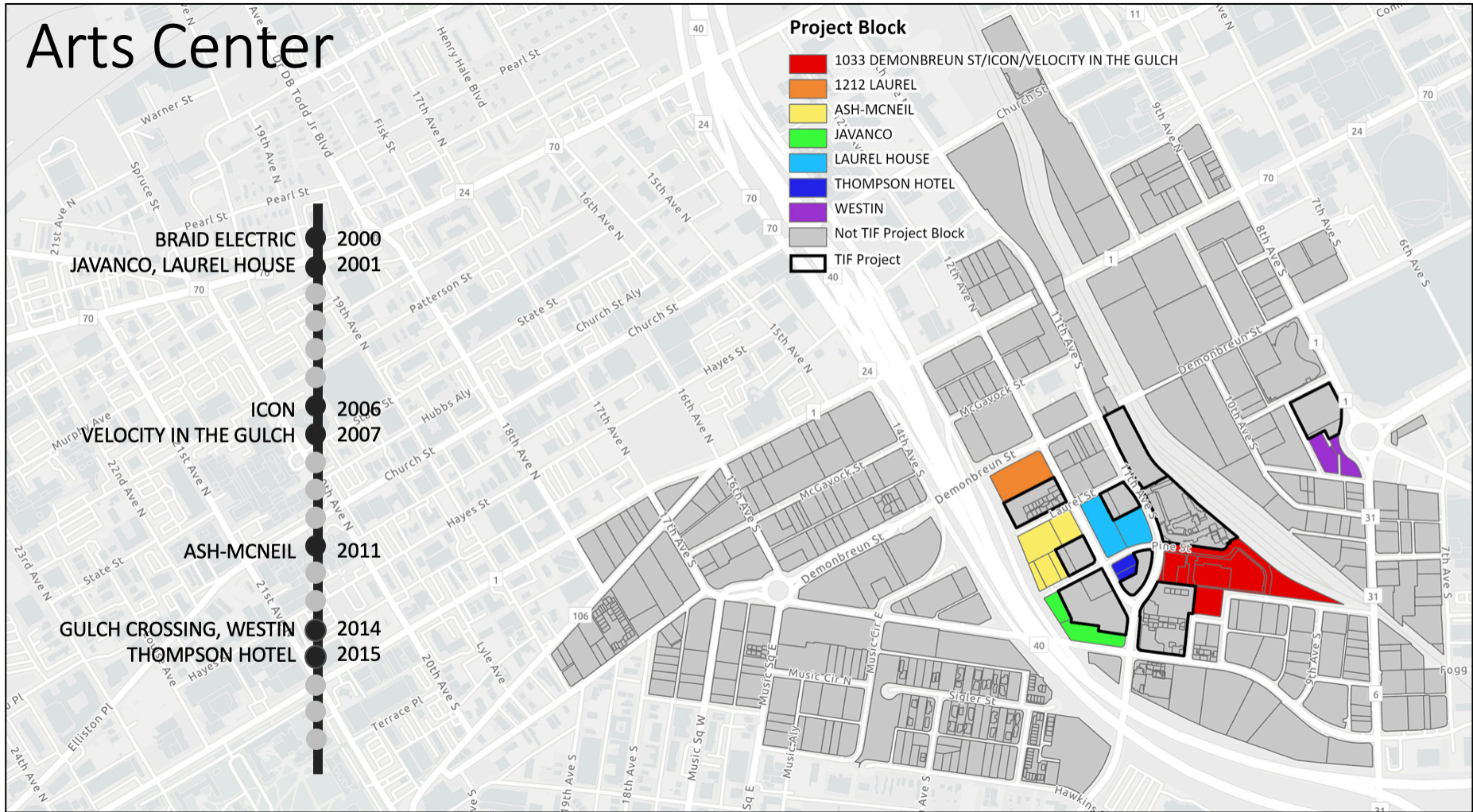
Those TIF-supported developments helped to create a vibrant presence and quality environment, attracting development of an additional 2,349 apartments and condominiums over the last two decades. CoStar reports another 1,470 residential units proposed for development in the Gulch.⁹

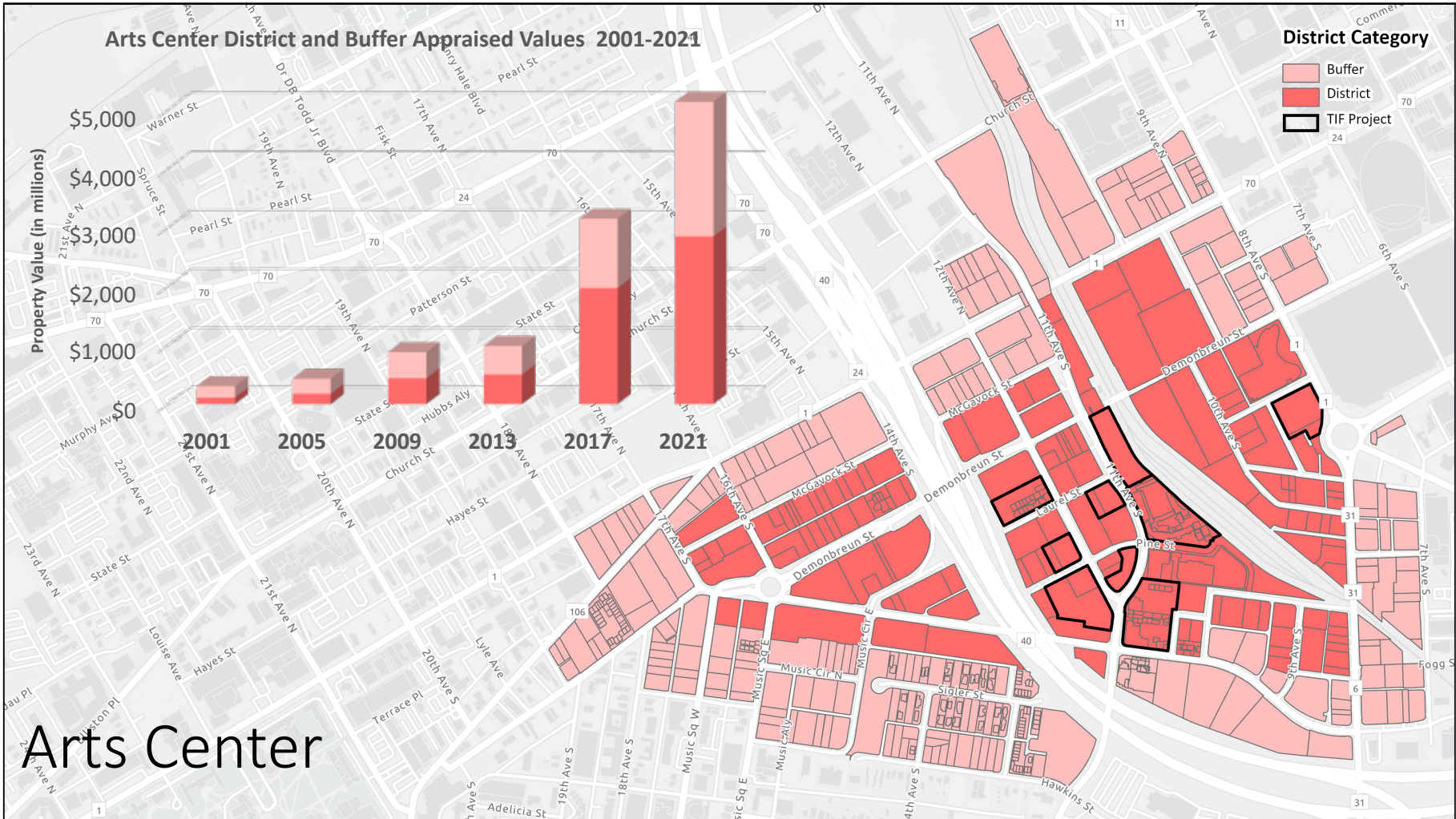
⁹ Appendix Table A-12 provides real estate trend data for the redevelopment districts.

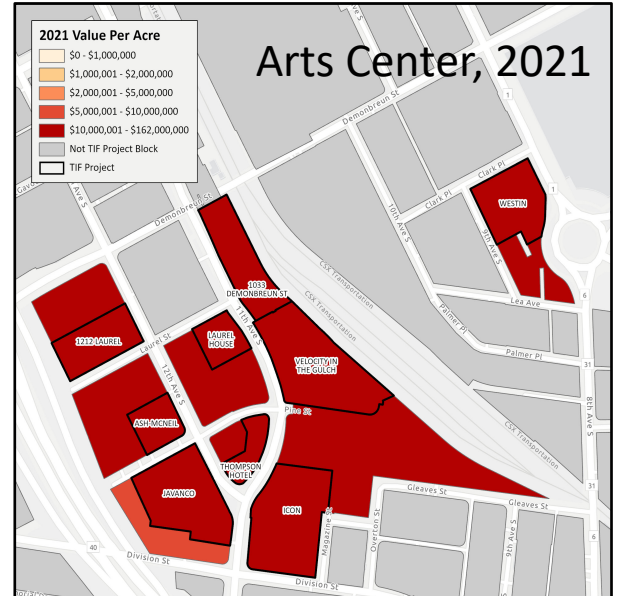
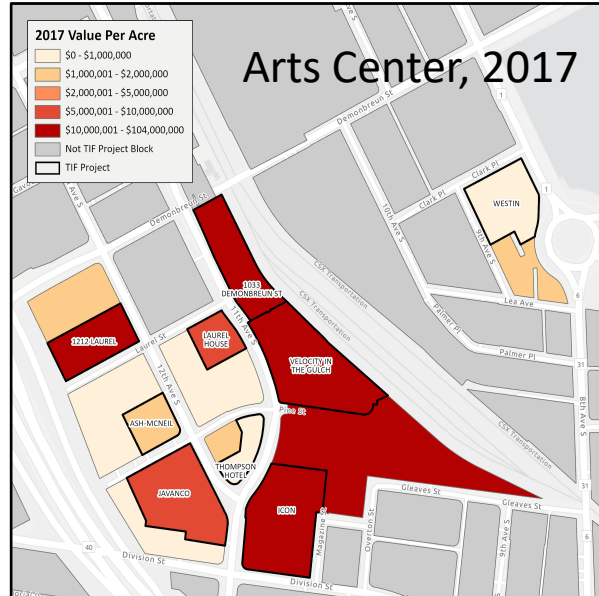
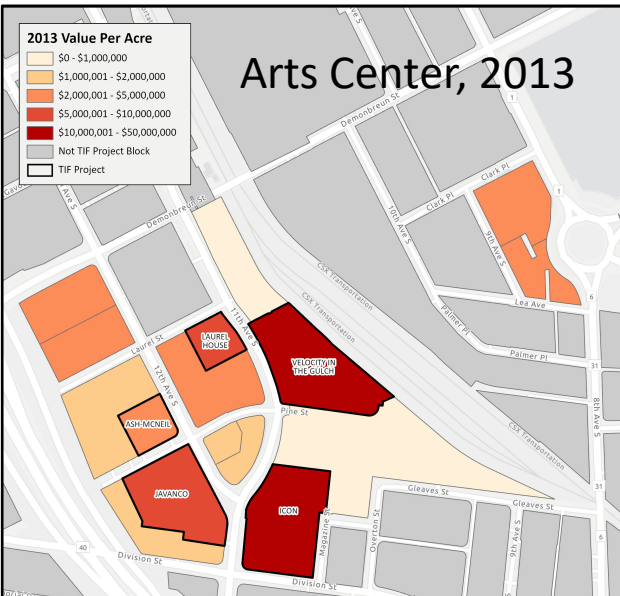
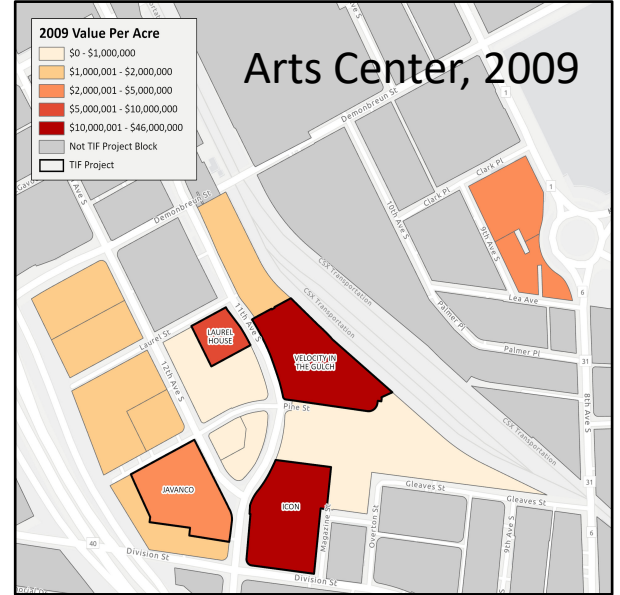
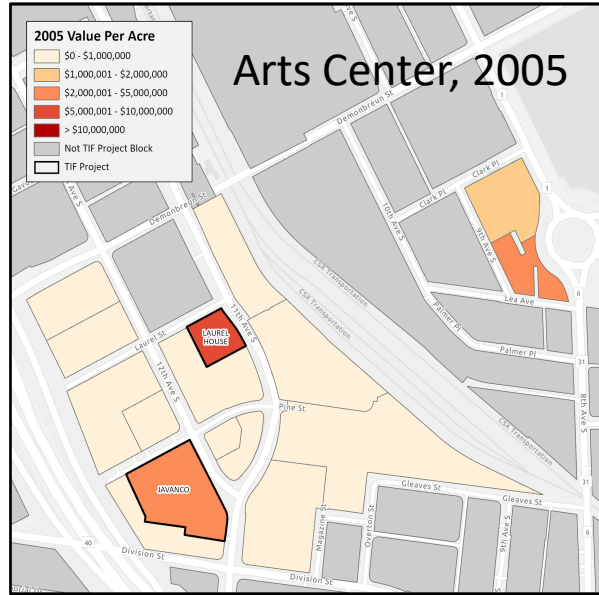
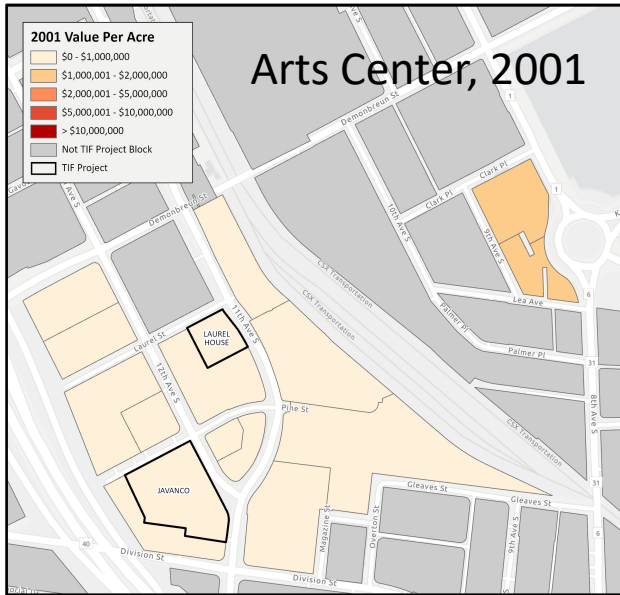


On the hotel side, the district has seen development of five additional hotels with 1,213 rooms not supported by TIF dollars. Another seven hotels are proposed for development with 1,123 rooms.

Arts Center









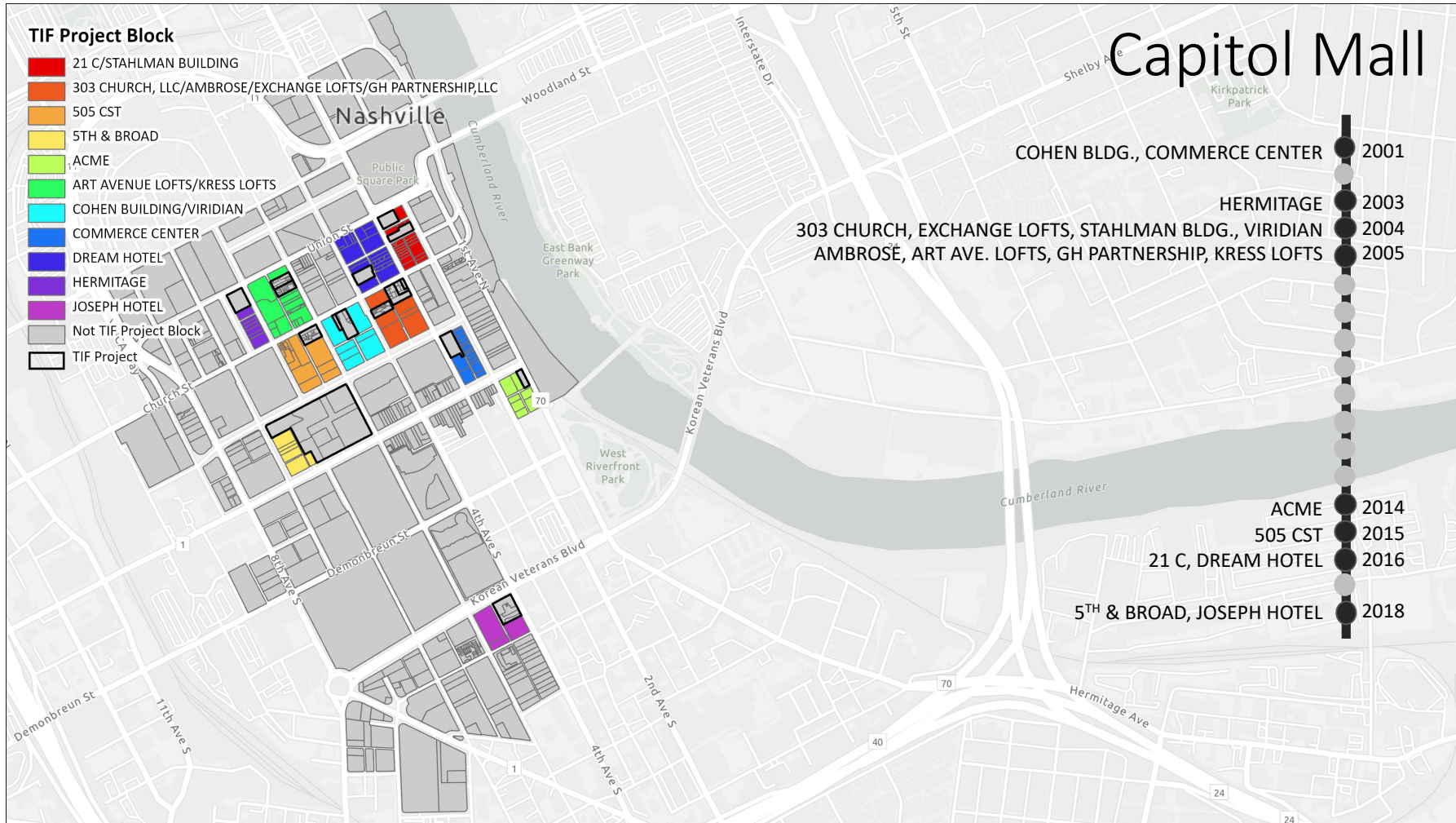
Capitol Mall District

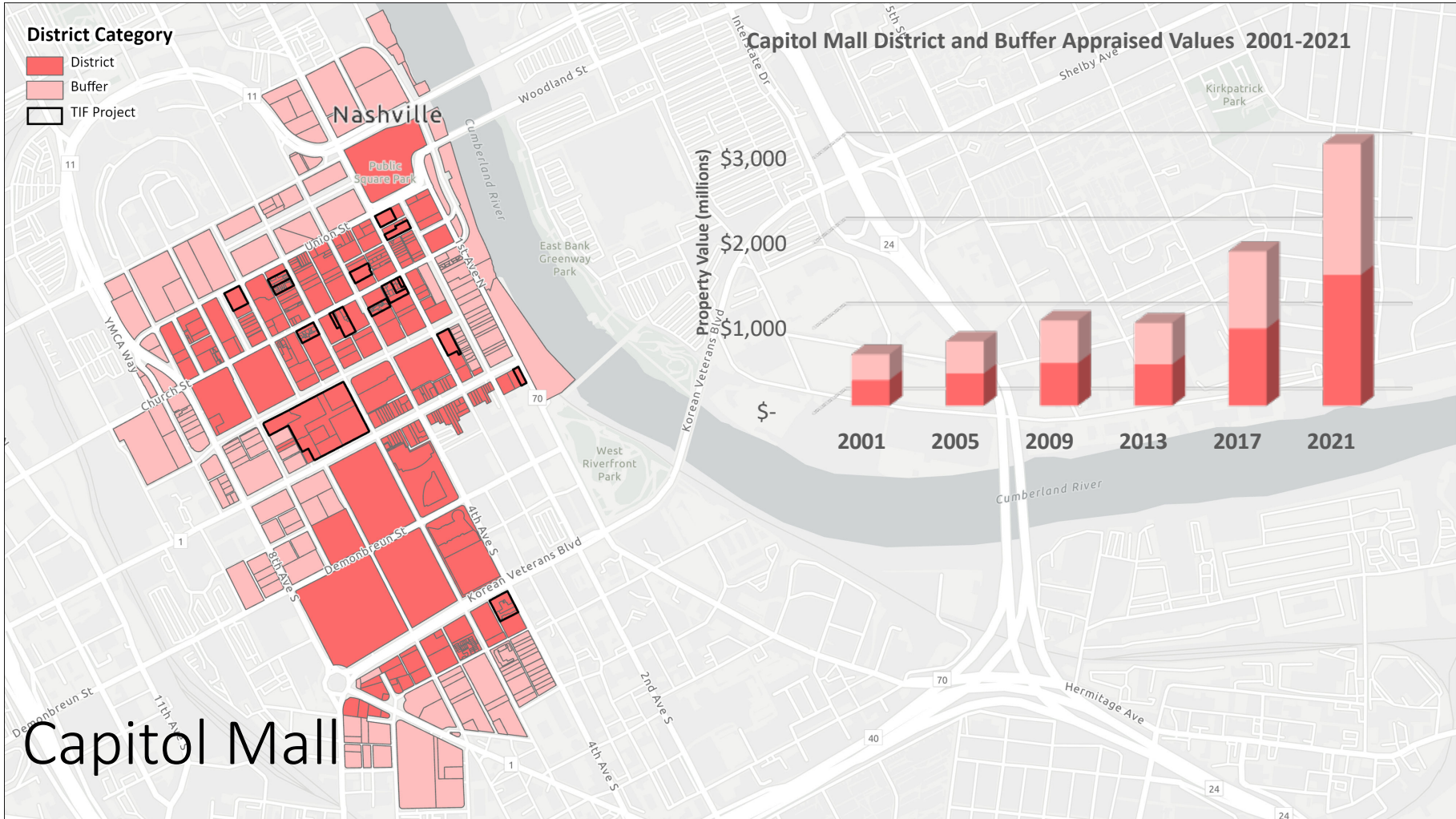
When the Capitol Mall Redevelopment Plan was adopted in 1978, Downtown was showing its age and having trouble competing with suburban office and retail centers. Almost no one lived in the district, and activity was rather limited. The initial TIF investments in the 1990s included Church Street Centre, consolidating Bell South employees into the “Batman Building,” renovation of Ryman Auditorium and renovation of several historic buildings along Broadway. MDHA used TIF financing to acquire and hold the site for the future Bridgestone Arena. In 1996, the Cumberland Apartments introduced the first Downtown residential building, helping to prove the market for additional housing developments. TIF funded multiple residential developments and historic renovations, preserving several gems of Nashville’s history.

In 2011, a \$61.5 million TIF investment supported development of the Omni convention hotel and expansion of the Country Music Hall of Fame. The Capitol Mall district now has more than 5,100 hotel rooms supporting the convention center and the tourist economy. The number of hotel rooms and rental apartments each increased by more than 150 percent from 2000 to 2021. Funded in 2018, the latest project – Fifth + Broadway – expanded Downtown retail with 200,000 square feet of retail offerings in a mixed-use development that includes 381 luxury apartments, more than 370,000 square feet of new office space and the new National Museum of African American Music.

From 2001 to 2021, the total market value of real property in the Capitol Mall district increased by 769 percent from \$693 million to \$6.02 billion, outstripping the citywide value growth of 360 percent. Over the last eight years, values increased 373 percent in the Capitol Mall district itself and 216 percent in the buffer district (generally defined as 500 feet beyond the district borders).

The impact of TIF-supported projects on surrounding property values can be seen by the changes in values of non-TIF properties on the same block over time.



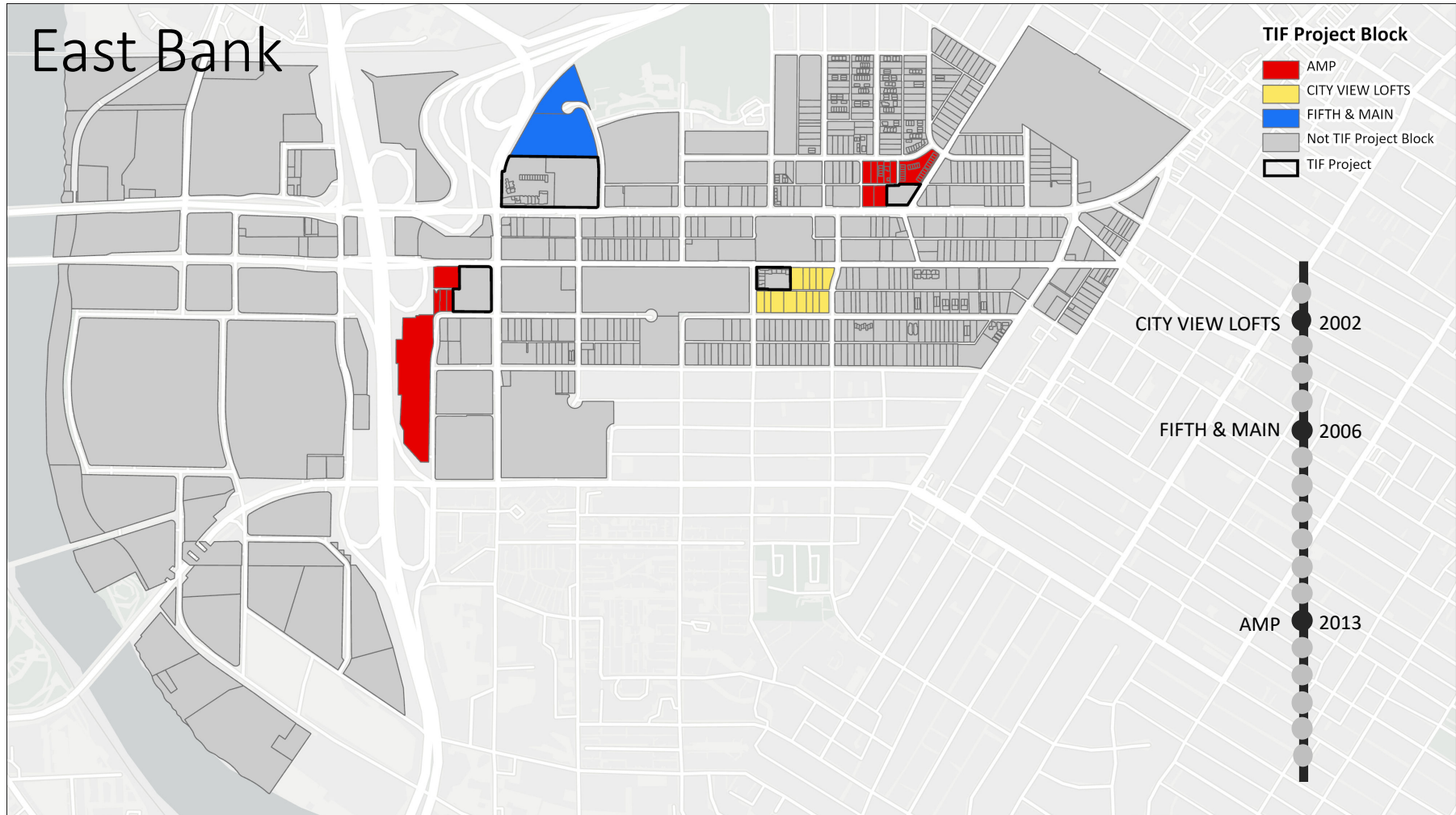


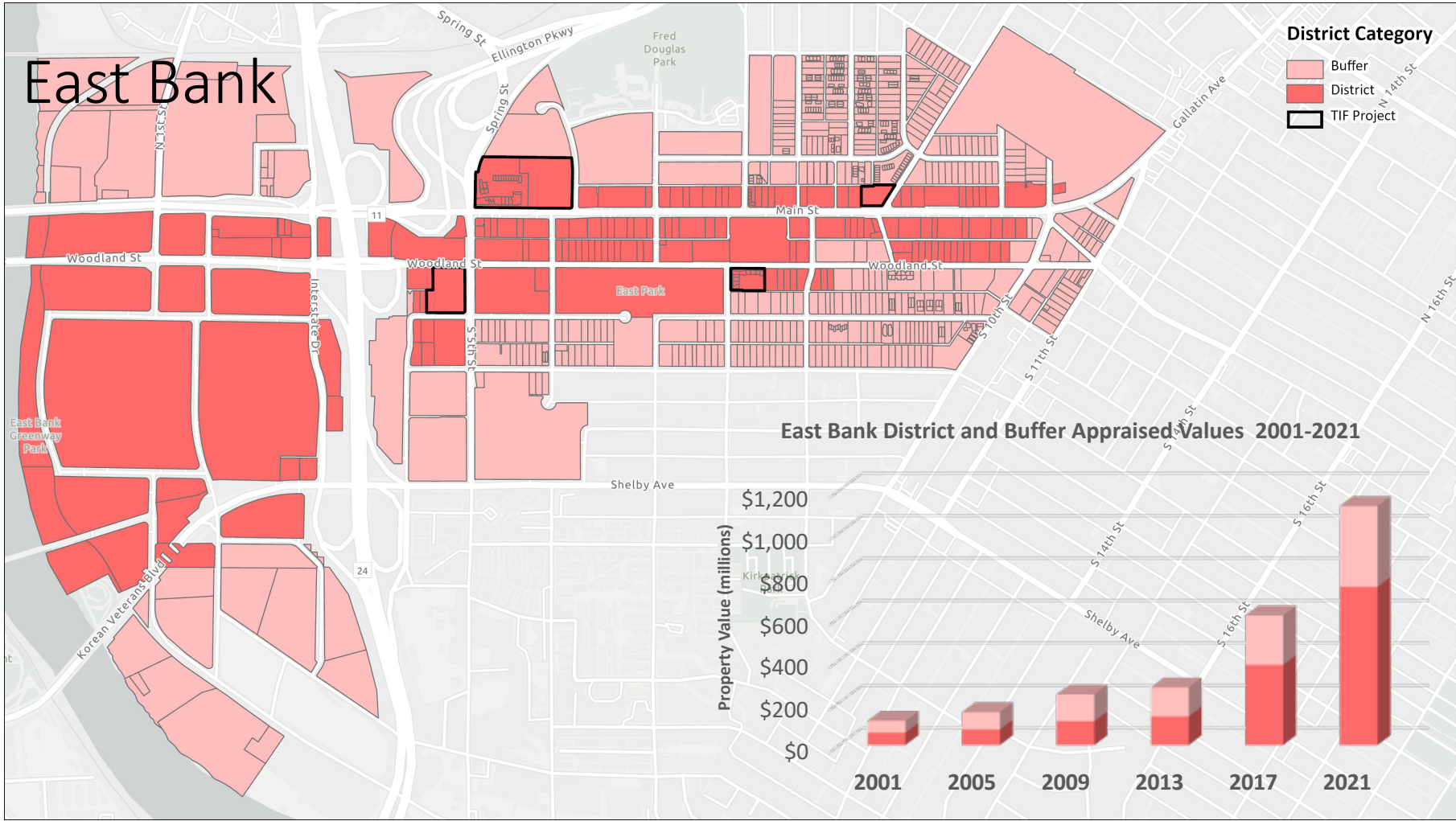


East Bank District

Adopted in 1996, the East Bank Redevelopment Plan focused on creating a site for the new Titans Stadium, revitalizing the commercial strip along Main Street, removing blight and better linking the district with Downtown through improvements on the Shelby Street Bridge for pedestrians and associated uses. MDHA funded relocation of Gerst Haus, a long-time German American restaurant, to make way for the stadium. Three major residential developments with 501 units and almost 30,000 square feet of commercial space have received TIF funding in the East Bank District – City View Apartments, Fifth and Main, and Amplify on Main. CoStar reports that 14 retail spaces along Main Street were renovated privately from 2017 to 2020, creating new vitality for the Main Street corridor.

Since 2001, the total market value of real property has increased 1,191 percent from \$58 to \$745 million. That increase compares well with comparable areas such as the Charlotte, Gallatin and Murfreesboro Pike corridors, which increased in value by 218 to 629 percent during the same period.

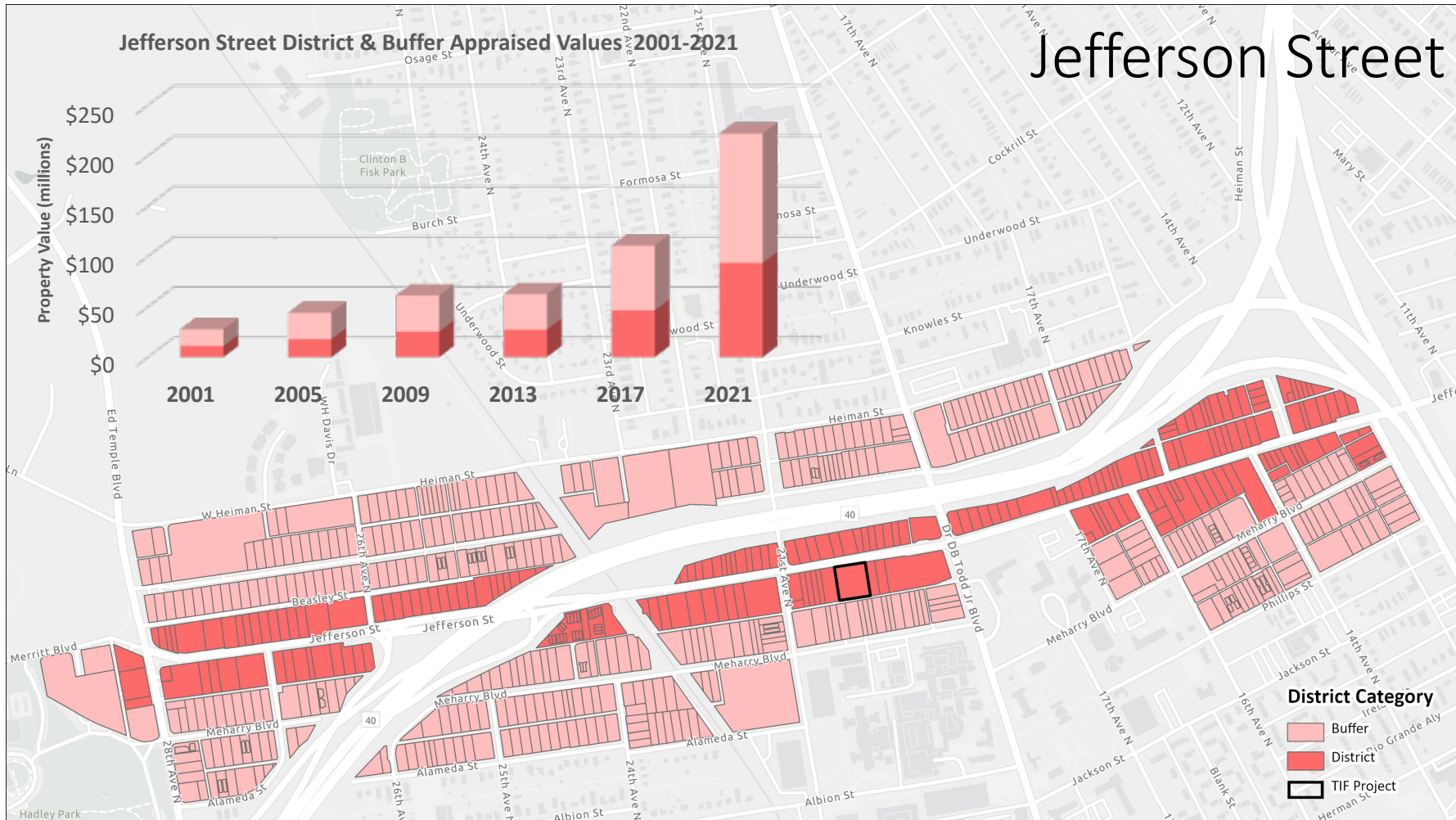




Jefferson Street District

The Jefferson Street District has seen much less development and reinvestment. With the district confined to the immediate frontage blocks along Jefferson Street and surrounded by institutional uses, there have been limited opportunities. Two TIF projects were funded, but one did not proceed to completion. Its \$350,000 TIF loan was the only TIF investment not repaid from incremental taxes; the developer retired the debt in 2021. The vacant building at 1821 Jefferson Street was redeveloped for an apartment building with ground-level retail space, adding 18 new units to the area’s residential inventory. The growth in total market value of the district’s real property was a more modest 761 percent from 2001 to 2021 that still exceeded the citywide rate of 360 percent.







Phillips Jackson District

This largely residential district has attracted significant investment in new housing along with additional support retail uses. Adopted in 1993 and amended several times through 2019, the Redevelopment Plan emphasized support for the new State Bicentennial Mall, harmonious land use patterns and elimination of substandard housing and vacant lots, revitalization of commercial uses along Jefferson Street and 8th Avenue North, and historic preservation. The first TIF project in 1994 helped to clear the site for the Bicentennial Mall by relocating Kroger to a new store in Phillips Jackson, the most substantial investment in the Jefferson Street area in decades. Kroger was followed two years later by a new Eckerd drugstore, now Rite Aid.

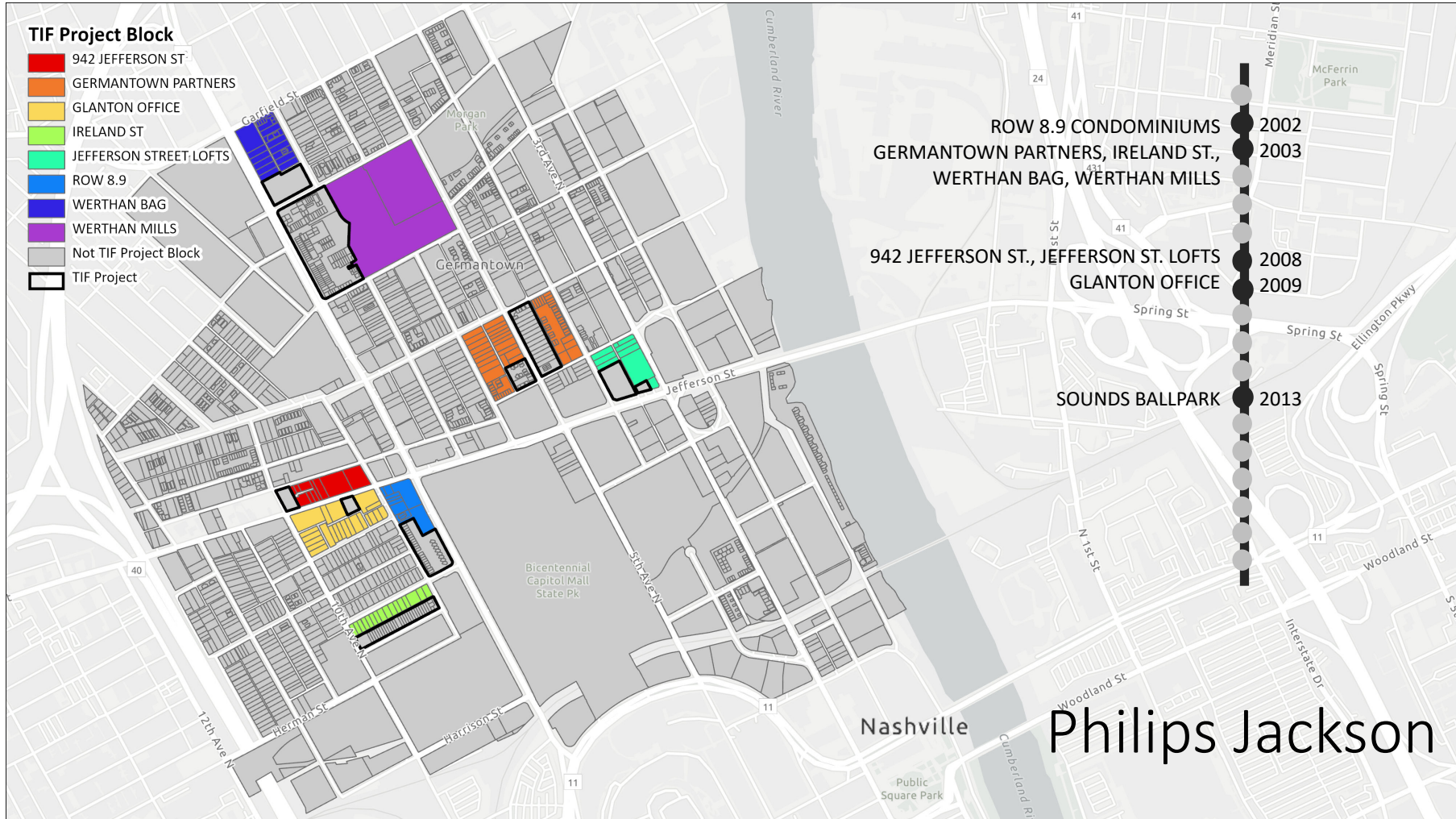
Several residential developments have received TIF funding since 2000, including:

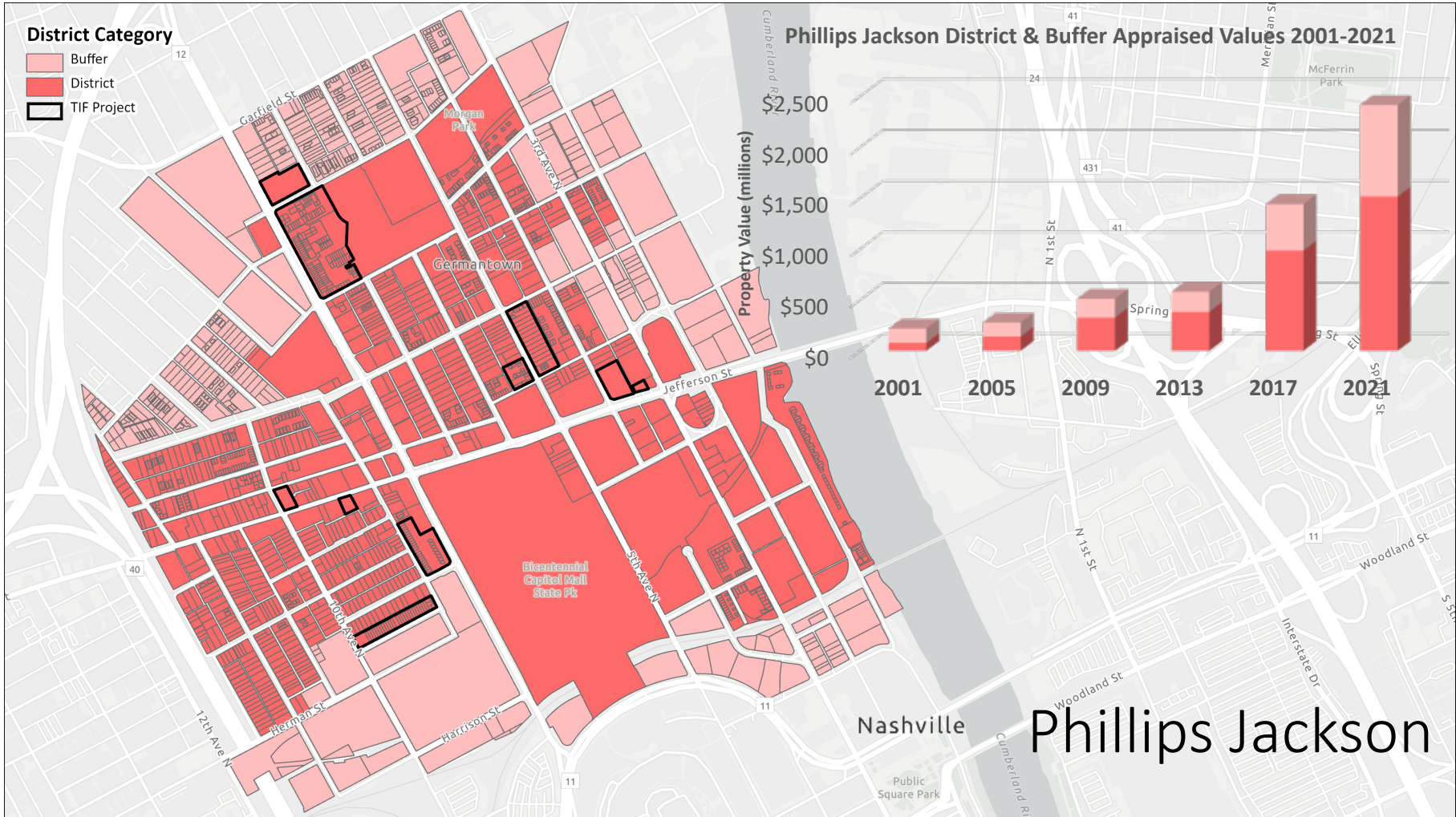
- Germantown Partners' redevelopment of an industrial plant;
- 28 contemporary townhomes on Ireland Street in Hope Gardens;
- Fifteenth Avenue Baptist Community Development Corporation's development of 12 apartments and 6,000 square feet of commercial space;
- the 71-unit Jefferson Street Lofts; and
- adaptive reuse of Werthan Bag and Werthan Mills historic industrial buildings into 370 apartments.

Since 2000 the district's apartment inventory has grown from 39 units to 1,823 units, providing an important supply of close-in housing. Hope Gardens saw the addition of some 200 new homes. The area added more than 50,000 square feet of new retail space as well.

In 2013, MDHA undertook almost \$28 million in TIF debt to purchase land and fund development of the new First Horizon Park Minor League Baseball stadium in Sulphur Dell for the Nashville Sounds. A second investment of almost \$8.5 million in 2015 covered increased construction costs related to soil remediation, increased subcontractor pricing, weather delays and park upgrades. The 10,000-seat stadium hosts 74 baseball games and other events each year.

Overall, Phillips Jackson saw the total market value of its real property increase 1,875 percent from \$76 million in 2001 to \$1.5 billion in 2021. This compares well with the citywide increase of 360 percent.







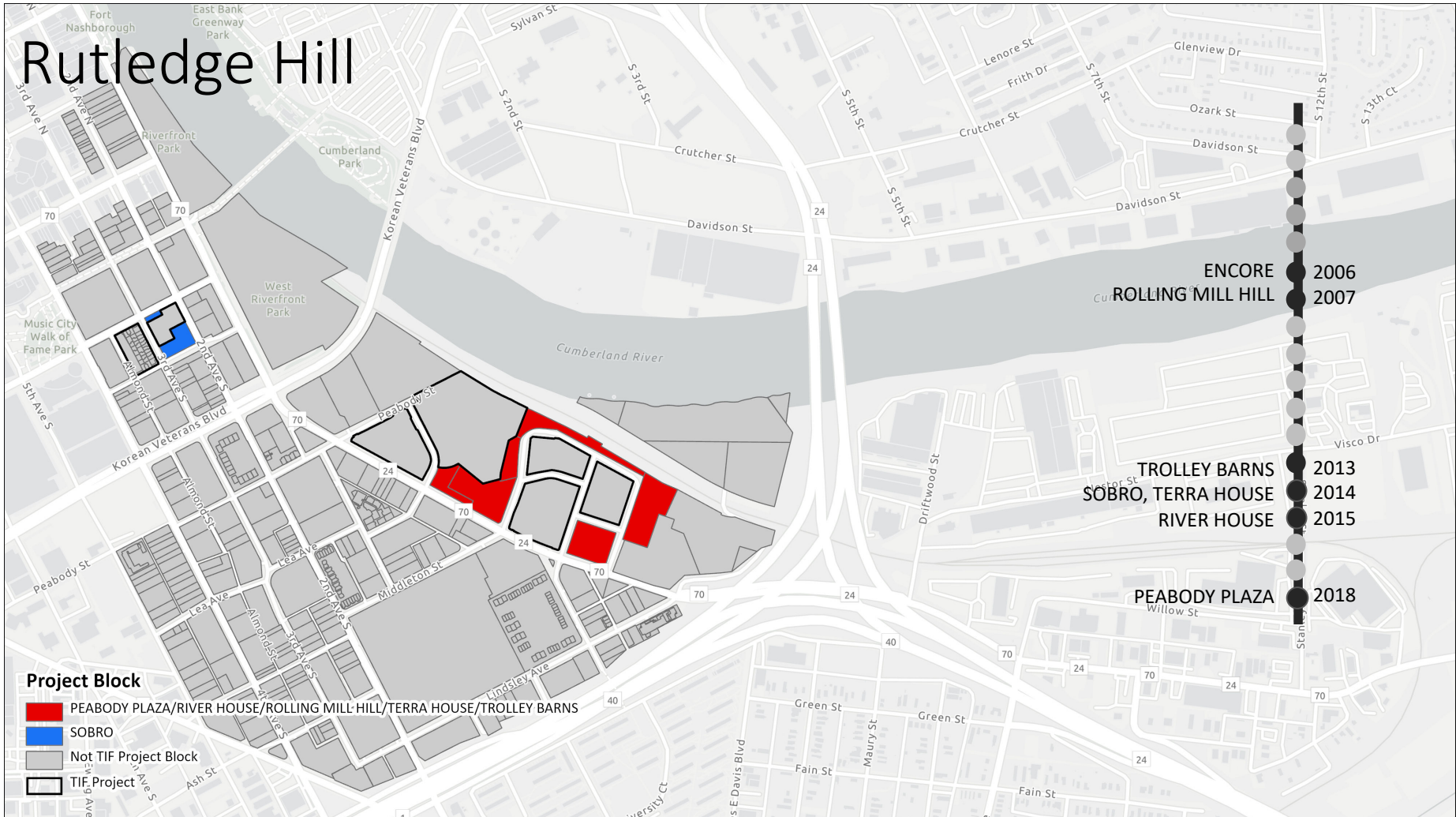
Rutledge Hill

The 1980 Redevelopment Plan (subsequently amended from 1991 to 2014) called for harmonious land use patterns, a mixed working and living environment near Downtown, safe, convenient and visually attractive pedestrian walkways (including a pedestrian network to Broadway and the Third Avenue corridor), rehabilitation and rehab of historic structures, construction of housing for all incomes, extension of Division Street, and creation of amenity spaces including the area under the Shelby Bridge. MDHA invested in new housing development as well as providing TIF funding for private housing. Multiple TIF-supported residential projects included Encore condominiums across from the new Symphony Center, historic rehabilitation of two General Hospital buildings, Terra House and River House at Rolling Mill Hill, and the 205 Demonbreun mixed-use high-rise development. The district now includes 1,136 rental apartments, up from just 92 units in 2000 – a 12-fold increase.

Adaptive reuse of former Public Works buildings for the Trolley Barns at Rolling Mill Hill project provided creative office space and a full-service restaurant. That was followed in 2018 by the 220,000 square-foot Peabody Plaza office and retail building. Five new hotels have been developed in the district since 2012, adding 1,106 new rooms while retail space expanded by more than 45,000 square feet.

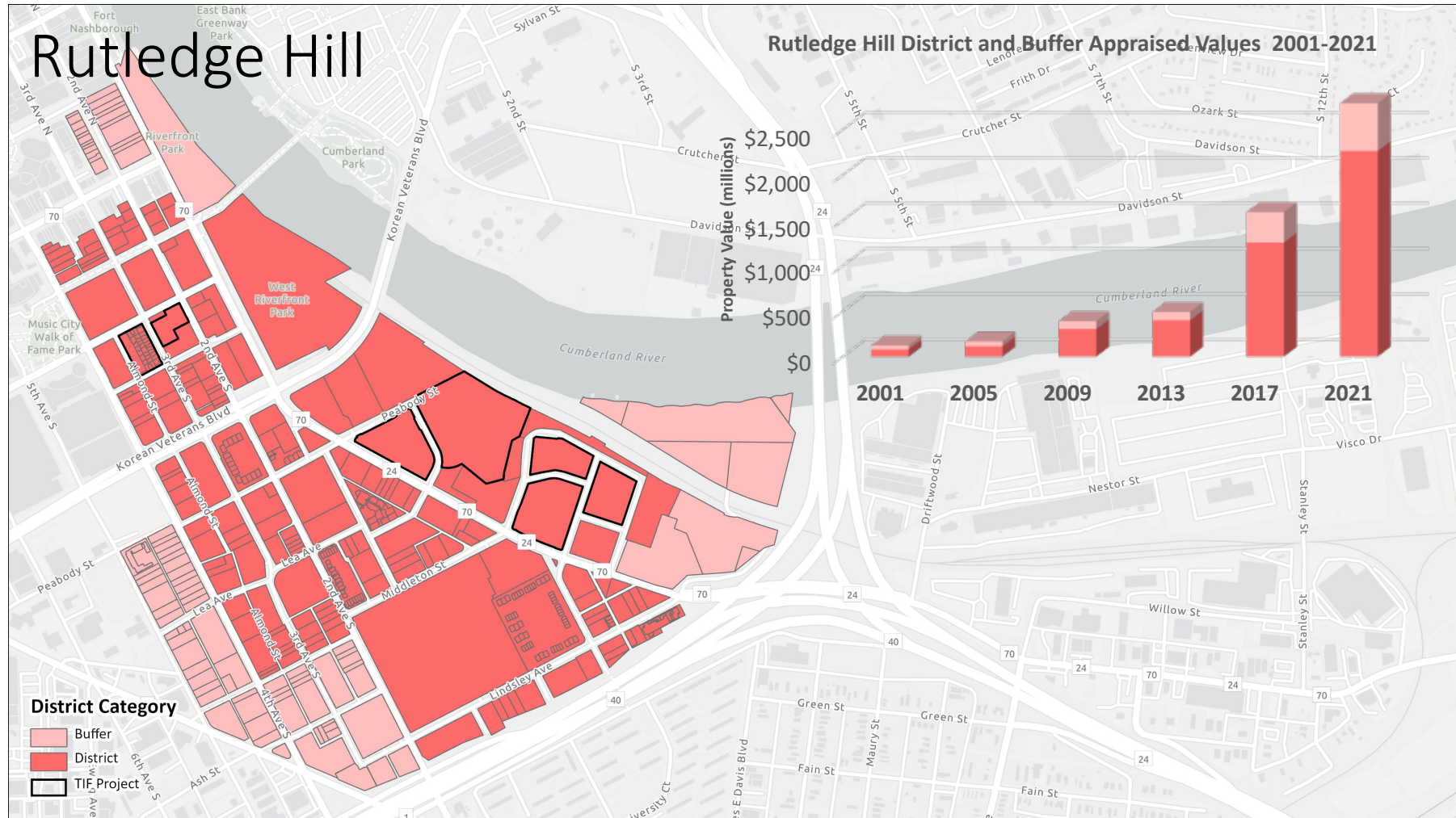
MDHA used more than \$10 million in TIF revenues to fund the Metro-directed Riverfront Park and Amphitheater project on the site of the former Thermal Transfer Plant, providing a major new open space amenity for local and regional residents and visitors.

From 2001 to 2021, the total market value of property in the Rutledge Hill district grew by 2,815 percent from \$78 million to \$2.26 billion; that compares with the 360-percent increase citywide.



Rutledge Hill

Rutledge Hill District and Buffer Appraised Values 2001-2021



Skyline District

Formed in 2007, Skyline District incorporates a largely industrial and strip commercial district along Dickerson Pike and I-24. To date, only one TIF project has been funded – First North Townhouses – a nine-unit development. The only significant private investment was a new Dollar General in 2011. Overall, property values in the district increased by 432 percent from 2001 to 2021, reflecting the limited reinvestment. Other comparable commercial strip areas such as the Charlotte, Gallatin and Murfreesboro Pike corridors, increased in value by 218 to 629 percent during the same period.

Going forward, the planned riverfront development for the Oracle Corporation headquarters, a new Titans Stadium and associated neighborhood improvements are anticipated to increase market and developer interest in Skyline redevelopment.

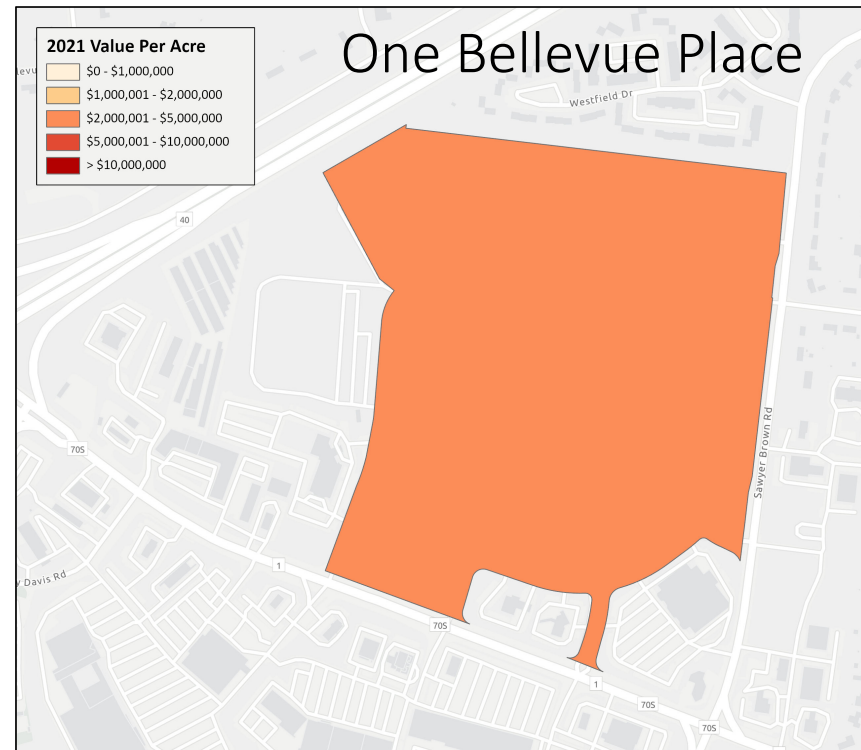
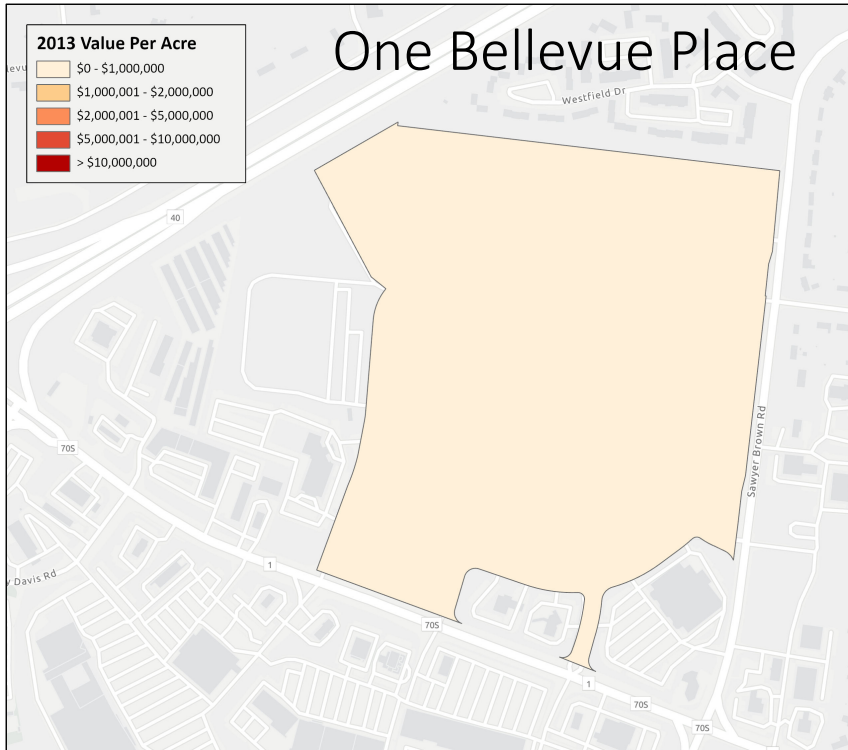




One Bellevue Place

The old Bellevue Center Mall located off US 70 South at Interstate 40 sat largely vacant for a decade. Then in 2014 the mall's new owners, Crosland Southeast, proposed a major redevelopment as a major mixed-use, lifestyle center. The high costs of demolishing and repurposing the old mall were prohibitive, so they sought TIF funding. In 2015, the Industrial Development Board of the Metro Government authorized issuance of TIF debt to support redevelopment as One Bellevue Place. The development now includes more than 1,000,000 square feet of retail, hotel, housing and related uses with development costs of roughly \$200 million. The new retail uses include 375,000 square feet of retail, entertainment and restaurant uses with a 12-screen movie theater. The residential component includes 339 rental apartments and 195 units of senior housing. Home2Suites by Hilton exists, and the addition of a Fairfield Inn has been announced. The developer provided a two-acre site for a regional community center and a 120,000 square-foot ice center for the Nashville Predators.

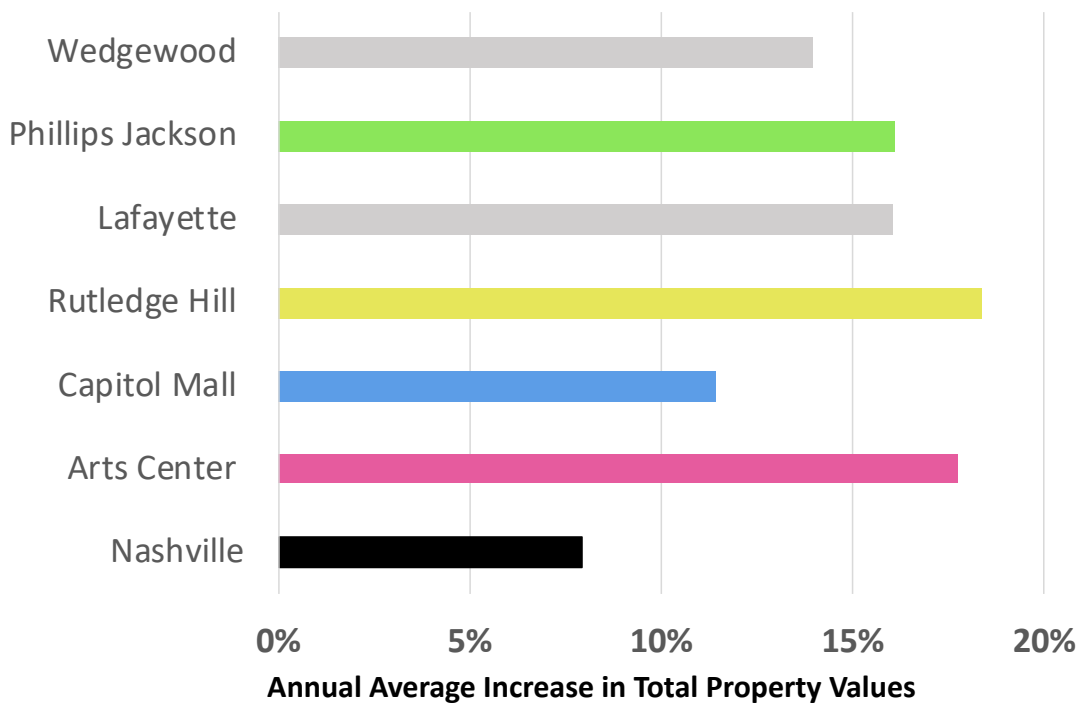
Starting with a total real property value of \$23.7 million in 2015, the development's value had an annual growth of 47 percent, reaching \$240.2 million in 2021.



Comparison to Similar Areas

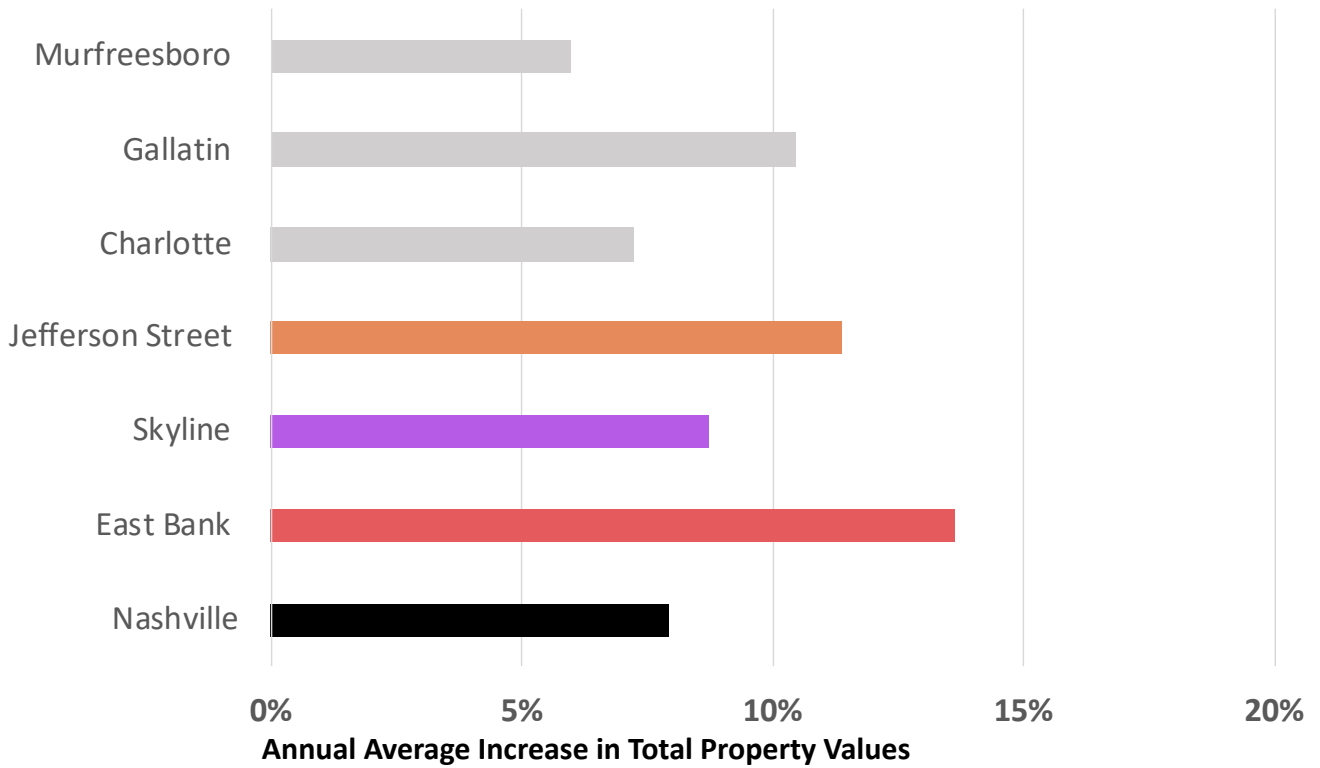
To put the Redevelopment Districts’ performance into context, value trends data were compiled for five comparable areas. The Lafayette district in the south of the Arts Center and Capitol Mall districts and west of Rutledge Hill provides a comparison for near-Downtown development. For the Phillips Jackson district, the Wedgewood neighborhood is a comparable neighborhood that has not had the benefit of a Redevelopment Plan or TIF financing. Three commercial corridors – Charlotte, Gallatin and Murfreesboro Pike – serve as good examples of corridors similar to East Bank, Jefferson Street and Skyline.

The following graphs show that the redevelopment districts out-performed the comparison areas in the increase in total appraised values from 2001 to 2021. Expressed in average annual growth in appraised value, Lafayette grew by 16.0 percent annually as compared with the Arts Center district at 17.7 percent, Capitol Mall at 11.4 percent and Rutledge Hill at 18.4 percent. Phillips Jackson’s average annual growth of 16.1 percent significantly exceeded Wedgewood’s 13.9-percent growth. The percentage increase in Capitol Mall property values was muted by the massive size of the property value base in 2001.





In the Charlotte, Gallatin and Murfreesboro Pike commercial corridors, values increased annually at 7.0, 10.4 and 5.9 percent, respectively. This compares with 13.6-percent growth in East Bank, 11.4-percent growth in the Jefferson Street district and 8.7-percent growth in the Skyline district.





IV. Other TIF Contributions

Several elements of MDHA's involvement in the seven redevelopment districts – support for new attractions, a mixed-use environment, historic preservation and an enhanced public realm – have generated economic benefits well beyond the new tax revenues generated by the TIF-supported developments.

Attractions

MDHA played an important role in helping to assemble the sites for the Music City Center and Bridgestone Arena. When the convention center needed a major convention hotel to assure its success, TIF provided \$60 million in funding for the Omni Hotel and relocation/expansion of the Country Music Hall of Fame. A major convention hotel that can provide substantial blocks of guest rooms and meeting facilities adjacent to the convention center is invaluable to successful recruitment and staging of conventions. In addition to the Omni Hotel, TIF funding has supported nine other hotels with a complement of 1,912 rooms, allowing more tourists to stay in close-in locations. TIF investments in Ryman Auditorium and Municipal Auditorium supported renovation of these essential entertainment venues. Other major attractions supported by TIF include the new National Museum of African American Music in the Fifth + Broadway development and the Riverfront Park and Amphitheater. Ascend Amphitheater offers an outdoor concert venue that can accommodate 6,800 people in seats and on the lawn. Other MDHA efforts to assemble and improve sites have helped support the Downtown Public Library, Symphony Center and the Frist Museum. TIF funding has supported development of more than 2,500 paid parking spaces that provide critical support for downtown activities. MDHA used \$36.5 million in TIF to fund the new First Horizon Park in Phillips Jackson for the Nashville Sounds.

Mixed-Use Environment

In TIF's early years in the 1980s, the focus was almost exclusively on office and other commercial projects. Then in the mid- to late-1990s, MDHA recognized the importance of housing in helping transform downtown into a vibrant mixed-use environment and shifted its focus. Approval of TIF funding for Cumberland Apartments and Bennie Dillon resulted



in the first new downtown residential development in many years. In 1996, Cumberland Apartments benefited from \$6 million in TIF funding that helped the developer to close the financial gap between total costs and the private investment supported by anticipated rental income. The funding reduced the risks and convinced private lenders to fund the project. Then in 1998, the Bennie Dillon project received \$1.5 million in TIF support for development of 86 units. The success of these two projects helped to prove the feasibility of downtown housing to developers, lenders and investors. In 2004 and 2005, TIF funding was provided to seven Capitol Mall district residential developments with 375 units, ranging in size from 5 to 225 units. Those projects included six historic structures, which faced particular financial challenges. Overall, MDHA approved TIF funding for 19 housing developments with 2,065 units within the urban core¹⁰ from 2001 through 2008.



The residential focus shifted from Capitol Mall to Arts Center, Phillips Jackson and Rutledge Hill. Outside the urban core, TIF was provided to three residential developments in East Bank, one in Jefferson Street and one in Skyline, neighborhoods where the private market had not been proven and financing gaps still existed.

An important innovation starting in 2000 was the requirement that each development commit 20 percent of new units at rents affordable to households with incomes of not more than 80 percent of Area Median Family Income for at least five years. Though limited in time, these developments helped to disprove the long-accepted view that wealthier residents would not live with lower-income residents. The TIF-supported residential projects clearly dispelled that myth, demonstrating that mixed-income housing was not only viable but also desirable. That experience reduced the skepticism about mixed-income housing and paved the way for private housing development without TIF. Those mixed-income requirements have now burned off, indicating a need for longer-term commitments. Laurel House received TIF funding to develop 48 affordable units in the Gulch.

¹⁰ Capitol Mall, Arts Center, Phillips Jackson and Rutledge Hill



Following 2015, Metro Council and MDHA did not approve TIF funding for any new residential TIF projects, only completing the TIF agreements on three projects for which TIF support was pledged before that cut-off.

Other TIF investments in public amenities, critical infrastructure and environmental remediation created conditions favorable to developing additional housing. Setting the stage allowed Nashville to benefit from the national trends toward urban housing associated with the entry of Millennials into the market. The close-in housing market now includes almost 9,700 units, including 2,290 units in the Capitol Mall district, 3,139 in Arts Center, 1,880 in Phillips Jackson, 1,625 in Rutledge Hill and 651 in East Bank.

Reversing decades of population decline, the resulting increase in downtown population from less than 2,000 people in 2000 to an estimated 15,000 people at the end of 2021 has helped reinforce the feeling of personal safety that comes with more “eyes on the street.” With an extensive Downtown residential base, the 24-hour/7-day activity enlivens Downtown and supports local businesses even when tourist levels are down mid-week and in the off season. Downtown retail would have been much more limited without that critical support from nearby residents. The combination of tourists and residents allows a wider range of offerings, enhancing Nashville’s appeal as a tourist destination.

Historic Preservation and Public Realm Improvements

Many of the earliest TIF investments were used to support preservation of Nashville’s stock of historic structures. Ranging from small storefronts to major hotels and apartment buildings to the Ryman Auditorium, historic buildings contribute to Nashville’s appeal and authenticity. They help to set the human scale of buildings along Broadway and provide a link to the city’s history.

Coupled with streetscape, open space and other public realm improvements, Downtown has greatly enhanced its pedestrian environment, encouraging visitors and area residents to extend their time there to experience all Downtown has to offer. In addition to Riverfront Park and Amphitheater, TIF funding has supported creation of the Walk of Fame Park atop the Hilton Hotel’s underground parking adjacent to the Country Music Hall of Fame and Bridgestone Arena, pedestrian improvements along Shelby Street Bridge, a pedestrian network between Rutledge Hill and Downtown, AT&T Plaza, Peabody Plaza, walkways and trails, and improved sidewalks with street trees and street furniture.



The design guidelines imposed by MDHA within redevelopment districts have contributed to better quality development with long-term value contributions. MDHA’s design review process emphasizes the pedestrian experience when contemplating exterior design decisions. These considerations are outlined in MDHA’s five core Design Principles, which include contextual siting, importance of pedestrian environments, architectural sensitivity, respect for historic structures and durability of building materials.

Conclusion

TIF is a valuable tool for public policy makers and practitioners that is used in some form across almost all major cities in the United States. MDHA has used TIF very successfully to incentivize development and reinvestment while pursuing the specific goals of each Redevelopment District. As have other cities, MDHA has periodically reassessed TIF priorities to respond to the dynamic needs of a given time (e.g., economic development, infrastructure, affordable housing, green/open space).

The City of Nashville has historically adopted a conservative approach to the use of TIF, generally only pledging the increment from one project to support that project and having the developer guarantee the TIF loan in the event that the tax increment is insufficient to meet debt requirements. This is a national best practice that has shielded Metro government from financial risks – only one TIF project has failed to proceed and its loan was repaid by the developer.

Overall, TIF-supported projects have generated an annual positive net fiscal benefit for the City, estimated at \$7.22 million in net revenues to the General Fund in Fiscal Year 2022. In addition, the development leveraged by TIF investment yielded \$11.26 million in additional annual revenue to repay Metro’s bonded debt and \$10.20 million in special purpose tourism funds. This conservative estimate of TIF’s fiscal impact measures only the revenues generated directly by TIF-supported projects. It does not include revenues resulting from the significant increase in property values in the surrounding districts from the extensive private development spurred by the success of TIF-supported projects.

While the report narrative has focused on the projects that have had the greatest overall fiscal impact, MDHA has invested TIF in many small projects as well. Going forward, it is important that the Agency continues to make this tool available for all developers.



Appendix Tables



Table A-1. Assumptions in Fiscal Year 2022

Table A-1. Assumptions in Fiscal Year 2022			
Employees			
Office	250	sq. ft./employee	
Retail	400	sq. ft./employee	
Restaurant	250	sq. ft./employee	
Residential	50	d.u./employee	
Hotel	0.60	employee/room	
Commercial Occupancy Rate	95%		
Residents			
Average Household Size			
Arts Center	1.67		Esri 2021 estimate
Capitol Mall	1.22		
East Bank	3.26		
Jefferson Street	1.00		
Phillips Jackson	1.73		
Rutledge Hill	1.04		
Skyline	2.95		
One Bellevue Place	1.68		
Occupancy Rate	95%		
Less Short-Term Rental Use	5%		
Daily Hotel Guests			
Annual Occupancy Rate	78.6%		CoStar for March 2019-February 2020
Size of Party	1.8		
Length of Stay	3.6		NCVC 2019
Average Daily Hotel Guests per 100 Rooms	141.48		
Average Daily Rate	\$233.58		CoStar for March 2019-February 2020
Short-Term Rental Occupancy			
Average Daily Rate	\$400		Airbnb
Average Party Size	2.5		NCVC 2019
Average Occupancy Rate	61%		AirDNA
Personal Property Tax			
Office Personal Property	\$20	per square foot	
Retail Personal Property	\$25	per square foot	
Restaurant Personal Property	\$50	per square foot	
Hotel Personal Property	\$25,000	per room	
Average Depreciated Value	50%	of initial cost	



Table A-1. Assumptions in Fiscal Year 2022 (Continued)

Table A-1. Assumptions in Fiscal Year 2022 (Continued)			
Sales Tax			
Average Sales			
Occupied Retail	\$300	per square foot	
Occupied Restaurant/Entertainment	\$400	per square foot	
Adjust for Non-Tax-Generating Uses	88%		
Retail	\$264	per square foot	
Restaurant/Entertainment	\$352	per square foot	
Average Worker Expenditures			
Office Worker Spending at Work	\$15.00	per weekday	
Average Hotel Guest Spending			
Average Daily Expenditures per Party, Excluding Hotel	\$239	from NCVC 2019	
Average Party Size	2.5	from NCVC 2019 plus 5% inflation	
Average Daily Expenditures per Person	\$96	from NCVC 2019 plus 5% inflation	
Average Resident Spending			
Average Income	\$85,200		
Share of Income to Food Away From Home	\$2,390	2.8%	from 2020 Consumer Expenditure Survey
Share of Income to Alcohol	\$430	0.5%	
Share of Income to Non-Grocery Retail	\$13,210	15.5%	excludes vehicle purchases
Share of Income to Groceries	\$4,770	5.6%	
Share Spent in Davidson County	82%		
Share Spent in Tennessee	85%		
Vehicles			
Per Residential Unit	1.2		
Per 1,000 SF of Commercial Space	0.1		
Per 100 Hotel Rooms	2.0		



Table A-2. Metropolitan Nashville/Davidson County Operating Budget - Fiscal Year 2021-2022

Department Number / Budget Category	2021-2022	General Service District (GSD)	Urban Service District (USD)	Special Purpose Fund			Internal Service Funds	Enterprise Fund	Specialized Funds ³
	Total			Total	Offset ¹	Unrecovered ²			
General Government and Fiscal Administration	\$178,897,500	\$112,784,000	\$0	\$702,500	\$699,900	\$2,600	\$65,411,000	\$0	\$0
02-Metropolitan Council	\$3,187,000	\$3,187,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
03-Metropolitan Clerk	\$1,151,800	\$1,151,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0
04-Mayor's Office	\$5,153,000	\$5,152,700	\$0	\$300	\$0	\$300	\$0	\$0	\$0
05-Election Commission	\$3,253,900	\$3,253,900	\$0	0%	0%	\$0	\$0	\$0	\$0
06-Law	\$7,446,900	\$7,446,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0
07-Planning	\$7,440,500	\$7,118,900	\$0	\$321,600	\$321,600	\$0	\$0	\$0	\$0
08-Human Resources	\$6,629,100	\$6,629,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0
09-Register of Deeds	\$295,500	\$293,200	\$0	\$2,300	\$0	\$2,300	\$0	\$0	\$0
10-General Services - Financial	\$52,979,300	\$26,165,900	\$0	\$0	\$0	\$0	\$26,813,400		
11-Historical Commission	\$1,349,100	\$1,349,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14-Information Tech Services	\$37,431,000	\$0	\$0	\$0	\$0	\$0	\$37,431,000	\$0	\$0
15-Finance	\$13,486,200	\$12,317,000	\$0	\$2,600	\$2,600	\$0	\$1,166,600	\$0	\$0
16-Assessor of Property	\$9,210,200	\$9,210,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17-Trustee	\$2,873,800	\$2,873,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18-County Clerk	\$5,761,700	\$5,616,700	\$0	\$145,000	\$145,000	\$0	\$0	\$0	\$0
48-Office of Internal Audit	\$1,633,200	\$1,633,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49-Office of Emergency Management	\$1,725,900	\$1,495,200	\$0	\$230,700	\$230,700	\$0	\$0	\$0	\$0
91-Emergency Communications	\$17,889,400	\$17,889,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Justice Administration & Law Enforcement	\$429,815,600	\$410,696,200	\$481,000	\$18,638,400	\$18,209,200	\$429,200	\$0	\$0	\$0
19-District Attorney	\$11,343,300	\$9,992,500	\$0	\$1,350,800	\$1,350,800	\$0	\$0	\$0	\$0
21-Public Defender	\$10,840,900	\$10,840,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22-Juvenile Court Clerk	\$2,218,200	\$2,184,600	\$0	\$33,600	\$9,600	\$24,000	\$0	\$0	\$0
23-Circuit Court Clerk	\$3,495,000	\$3,495,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24-Criminal Court Clerk	\$7,258,300	\$6,991,900	\$0	\$266,400	\$77,000	\$189,400	\$0	\$0	\$0
25-Clerk & Master	\$1,744,700	\$1,744,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26-Juvenile Court	\$17,345,800	\$14,798,700	\$0	\$2,547,100	\$2,547,100	\$0	\$0	\$0	\$0
27-General Sessions Court	\$13,555,900	\$13,339,100	\$0	\$216,800	\$216,800	\$0	\$0	\$0	\$0
28-State Trial Courts	\$13,556,800	\$10,032,800	\$0	\$3,524,000	\$3,403,200	\$120,800	\$0	\$0	\$0
29-Justice Integration Services	\$3,982,300	\$3,982,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30-Sheriff	\$92,104,100	\$92,104,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0
31-Police	\$246,094,300	\$235,977,600	\$481,000	\$9,635,700	\$9,540,700	\$95,000	\$0	\$0	\$0
47-Criminal Justice Planning	\$587,700	\$587,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0
51-Office of Family Safety	\$4,122,500	\$3,058,500	\$0	\$1,064,000	\$1,064,000	\$0	\$0	\$0	\$0
52-Community Oversight Board	\$1,565,800	\$1,565,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fire, Infrastructure & Transportation	\$239,106,900	\$110,886,700	\$114,594,300	\$13,625,900	\$14,856,900	-\$1,231,000	\$0	\$0	\$0
53-Fire	\$154,032,500	\$70,185,900	\$83,646,600	\$200,000	\$200,000	\$0	\$0	\$0	\$0
42-Public Works/NDOT	\$85,074,400	\$40,700,800	\$30,947,700	\$13,425,900	\$14,656,900	-\$1,231,000	\$0	\$0	\$0



Table A-2. Metropolitan Nashville/Davidson County Operating Budget - Fiscal Year 2021-2022 (Continued)

Department Number / Budget Category	2021-2022	General Service	Urban Service	Special Purpose Fund			Internal Service	Enterprise Fund	Specialized
	Total	District (GSD)	District (USD)	Total	Offset ¹	Unrecovered ²	Funds		Funds ³
Regulation, Inspection & Conservation	\$14,591,000	\$14,316,000	\$0	\$275,000	\$275,000	\$0	\$0	\$0	\$0
33-Codes Administration	\$13,605,100	\$13,330,100	\$0	\$275,000	\$275,000	\$0	\$0	\$0	\$0
34-Beer Permit Board	\$616,000	\$616,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35-Agricultural Extension	\$369,900	\$369,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Social & Health Services	\$70,958,400	\$36,840,100	\$0	\$34,118,300	\$34,068,300	\$50,000	\$0	\$0	\$0
37-Social Services	\$8,792,700	\$8,083,100	\$0	\$709,600	\$709,600	\$0	\$0	\$0	\$0
38-Health Department	\$61,610,900	\$28,202,200	\$0	\$33,408,700	\$33,358,700	\$50,000	\$0	\$0	\$0
44-Human Relations Commission	\$554,800	\$554,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Libraries, Recreation & Cultural	\$95,793,800	\$88,885,700	\$0	\$6,908,100	\$6,794,100	\$114,000	\$0	\$0	\$0
39-Public Library	\$34,794,300	\$34,660,300	\$0	\$134,000	\$20,000	\$114,000	\$0	\$0	\$0
40-Parks & Recreation	\$51,381,600	\$48,638,500	\$0	\$2,743,100	\$2,743,100	\$0	\$0	\$0	\$0
41-Metro Arts Commission	\$4,450,700	\$4,067,300	\$0	\$383,400	\$383,400	\$0	\$0	\$0	\$0
61-Municipal Auditorium	\$2,128,000	\$0	\$0	\$2,128,000	\$2,128,000	\$0	\$0	\$0	\$0
64-Metro Sports Authority	\$3,039,200	\$1,519,600	\$0	\$1,519,600	\$1,519,600	\$0	\$0	\$0	\$0
Education	\$1,550,765,300	\$1,014,661,600	\$0	\$536,103,700	\$0	\$0	\$0	\$0	\$0
80-Metro Nashville Public Schools	\$1,550,765,300	\$1,014,661,600	\$0	\$536,103,700	\$0	\$0	\$0	\$0	\$0
Other Funds & Administrative	\$959,179,700	\$343,187,600	\$29,658,000	\$100,869,600	\$78,910,500	\$21,959,100	\$0	\$5,220,300	\$573,622,200
60-Farmers' Market	\$2,046,600	\$0	\$0	\$0	\$0	\$0	\$0	\$2,046,600	\$0
62-Board of Fair Commissioners	\$3,173,700	\$0	\$0	\$0	\$0	\$0	\$0	\$3,173,700	\$0
60271-Convention Center Authority	\$31,543,600	\$0	\$0	\$31,543,600	\$31,543,600	\$0	\$0	\$0	\$0
65-Water & Sewer Services Fund	\$429,251,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$429,251,800
301501-30503-Waste Services	\$31,919,500	\$0	\$0	\$600,000	\$600,000	\$0	\$0	\$0	\$31,319,500
66/67/69-Hospital Authority	\$49,560,000	\$49,560,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
75-Metro Action Commission	\$76,298,500	\$7,572,500	\$0	\$68,726,000	\$46,766,900	\$21,959,100	\$0	\$0	\$0
78-Metro Transit Authority	\$51,385,900	\$51,385,900	\$0	\$0	\$0	\$0	\$0	\$0	\$93,378,000
68-District Energy System	\$19,672,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,672,900
01-Administrative ¹	\$264,327,200	\$234,669,200	\$29,658,000	\$0	\$0	\$0	\$0	\$0	\$0
90-Debt Service Funds	\$360,070,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$360,070,600
30003-4% Reserve Fund	\$50,444,800	\$50,444,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30005-Central BID	\$3,672,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,672,200
38005-Gulch CBID	\$583,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$583,900
30031, 30041-47, 30088-Hotel Tax Funds	\$63,969,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$63,969,900
Total	\$4,017,849,600	\$2,182,702,700	\$144,733,300	\$711,241,500	\$153,813,900	\$21,323,900	\$65,411,000	\$5,220,300	\$1,001,918,800

Source: Metropolitan Nashville/Davidson County FY2022 Operating Budget, 2021; and Partners for Economic Solutions, 2022.



Table A-3. General Government and Fiscal Administration

Allocation Factors	Population	Employees	Visitors
Number	715,884	540,667	159,781
Percent	50.5%	38.2%	11.3%
Distribution of Expenditures	\$57,009,200	\$43,055,900	\$12,724,100
Per Capita, Employee and Visitor	\$79.63	\$79.63	\$79.63
	GSD + USD Expenditures	Unrecovered SPF Expenditures¹	Total Direct Expenditures
General Government and Fiscal Administration			
02-Metropolitan Council	\$3,187,000	\$2,600	\$3,189,600
03-Metropolitan Clerk	\$1,151,800	\$0	\$1,151,800
04-Mayor's Office	\$5,152,700	\$0	\$5,152,700
05-Election Commission	\$3,253,900	\$300	\$3,254,200
06-Law	\$7,446,900	\$0	\$7,446,900
07-Planning	\$7,118,900	\$0	\$7,118,900
08-Human Resources	\$6,629,100	\$0	\$6,629,100
09-Register of Deeds	\$293,200	\$0	\$293,200
10-General Services - Financial	\$26,165,900	\$2,300	\$26,168,200
11-Historical Commission	\$1,349,100	\$0	\$1,349,100
14-Information Tech Services	\$0	\$0	\$0
15-Finance	\$12,317,000	\$0	\$12,317,000
16-Assessor of Property	\$9,210,200	\$0	\$9,210,200
17-Trustee	\$2,873,800	\$0	\$2,873,800
18-County Clerk	\$5,616,700	\$0	\$5,616,700
48-Office of Internal Audit	\$1,633,200	\$0	\$1,633,200
49-Office of Emergency Management	\$1,495,200	\$0	\$1,495,200
91-Emergency Communications	\$17,889,400	\$0	\$17,889,400
	\$112,784,000	\$5,200	\$112,789,200

¹Expenditures not offset by fees, fines, forfeitures, or grants or other funds.



Table A-4. Justice Administration & Law Enforcement

Allocation Factors	Population	Employees	Visitors
Basic Justice and Law Enforcement Services			
Number	715,884	540,667	159,781
Percent	50.5%	38.2%	11.3%
Distribution of Expenditures	\$88,480,300	\$66,824,200	\$19,748,300
Per Capita, Employee and Visitor	\$123.60	\$123.60	\$123.60
Metro Police Except Events - Central Zone 4			
Number	13,163	76,739	95,869
Percent	7.1%	41.3%	51.6%
Distribution of Expenditures	\$2,032,500	\$11,849,100	\$14,802,900
Per Capita, Employee and Visitor	\$154.41	\$154.41	\$154.41
Metro Police Except Events - North Zone 6			
Number	62,361	35,641	8,700
Percent	58.4%	33.4%	8.2%
Distribution of Expenditures	\$16,764,400	\$9,581,300	\$2,338,800
Per Capita, Employee and Visitor	\$268.83	\$268.83	\$268.83
Metro Police Except Events - East Zone 2			
Number	66,303	14,665	3,400
Percent	78.6%	17.4%	4.0%
Distribution of Expenditures	\$22,542,500	\$4,986,000	\$1,156,000
Per Capita, Employee and Visitor	\$339.99	\$339.99	\$340.00
Metro Police Except Events - West Zone 1			
Number	115,245	58,433	8,500
Percent	63.3%	32.1%	4.7%
Distribution of Expenditures	\$18,145,700	\$9,200,400	\$1,338,300
Per Capita, Employee and Visitor	\$157.45	\$157.45	\$157.45
	Central Zone 4		
	Population 2021	Employees 2019	Hotel Guests 2019
	13,163	76,739	45,900
	Esri	LEHD	CoStar Dec 2019
	North Zone 6		
	Population 2021	Employees 2019	Hotel Guests 2019
	62,361	35,641	8,700
	East Zone 2		
	Population 2021	Employees 2019	Hotel Guests 2019
	66,303	14,665	3,400
	West Zone 1		
	Population 2021	Employees 2019	Hotel Guests 2019
	115,245	58,433	8,500
Metro Police Weekend & Event Crowd, Traffic Control			
Number	715,884	540,667	159,781
Percent	50.0%	0.0%	50.0%
Distribution of Expenditures	\$3,539,000	\$0	\$3,539,000
Per Capita, Employee and Visitor	\$4.94	\$0.00	\$22.15
<p>Metro Police incurred 257,096 overtime hours for crowd and traffic control for major events in 2019. In 2021, it was 189,583 hours at an average of \$27.53 per hour. Using 2019 hours and 2021 cost, Metro Police spent \$7,078,000 on weekends and event crowd and traffic control duty. Divided evenly among residents and visitors.</p>			



Table A-4. Justice Administration & Law Enforcement (Continued)

	GSD + USD Expenditures	Unrecovered SPF Expenditures¹	Total Direct Expenditures
Justice Administration & Law Enforcement			
Basic Justice and Law Enforcement Services			
19-District Attorney	\$9,992,500	\$0	\$9,992,500
21-Public Defender	\$10,840,900	\$0	\$10,840,900
22-Juvenile Court Clerk	\$2,184,600	\$24,000	\$2,208,600
23-Circuit Court Clerk	\$3,495,000	\$0	\$3,495,000
24-Criminal Court Clerk	\$6,991,900	\$189,400	\$7,181,300
25-Clerk & Master	\$1,744,700	\$0	\$1,744,700
26-Juvenile Court	\$14,798,700	\$0	\$14,798,700
27-General Sessions Court	\$13,339,100	\$0	\$13,339,100
28-State Trial Courts	\$10,032,800	\$120,800	\$10,153,600
29-Justice Integration Services	\$3,982,300	\$0	\$3,982,300
30-Sheriff	\$92,104,100	\$0	\$92,104,100
47-Criminal Justice Planning	\$587,700	\$0	\$587,700
51-Office of Family Safety	\$3,058,500	\$0	\$3,058,500
52-Community Oversight Board	\$1,565,800	\$0	\$1,565,800
	\$174,718,600	\$334,200	\$175,052,800
Metro Police Except Events			
31-Police (less weekend & event below)	\$229,380,600	\$95,000	\$229,475,600
Metro Police Except Events Per Zone			
31-Police (less weekend & event below)	\$28,672,575	\$11,875	\$28,684,450
Metro Police Weekend & Event Crowd, Traffic Control			
31-Police (less weekend & event below)	\$7,078,000	\$0	\$7,078,000

¹Expenditures not offset by fees, fines, forfeitures, or grants or other funds.



Table A-5. Fire, Infrastructure & Transportation

Allocation Factors	Population	Employees	Visitors
Basic Services			
Number	715,884	540,667	159,781
Percent	50.5%	38.2%	11.3%
Distribution of Expenditures	\$113,233,300	\$85,518,700	\$25,273,000
Per Capita, Employee and Visitor	\$158.17	\$158.17	\$158.17
Fire, EMS Services for Weekends & Events			
Number	715,884	540,667	159,781
Percent	50.0%	0.0%	50.0%
Distribution of Expenditures	\$112,500	\$0	\$112,500
Per Capita, Employee and Visitor	\$0.16	\$0.00	\$0.70

Days of Overtime for Broadway UTVs and Fire Carts

	July 1, 2018 - June 30, 2019	July 1, 2019 - June 30, 2020	July 1, 2020 - June 30, 2021 *	July 1, 2021 - January 31, 2022
Broadway UTVs	33	65	21	55
Fire Carts	0	0	0	55

Average Personnel Cost per Day on Overtime	July 1, 2018 - June 30, 2019	July 1, 2019 - June 30, 2020	July 1, 2020 - June 30, 2021	July 1, 2021 - January 31, 2022
Broadway UTVs	\$ 1,042.00	\$ 1,204.00	\$ 1,278.00	\$ 2,028.00
Fire Carts	\$ -	\$ -	\$ -	\$ 1,434.00

Total Cost using FY20 for days and FY22 for cost \$ **225,030**

Typically 2 EMS UTVs operated on Friday and Saturdays during the peak tourism season of May - December and Special Events. Typically 2 Fire Carts operate on Friday and Saturdays with the exception of large special events such as July 4th and New Year's Eve.

* COVID restrictions significantly reduced the number of days the UTVs were in service

	GSD + USD Expenditures	Unrecovered SPF Expenditures ¹	Total Direct Expenditures
Fire, Infrastructure & Transportation			
Basic Services			
53-Fire (less visitor services below)	\$153,607,470	\$0	\$153,607,470
42-Public Works/NDOT	\$71,648,500	-\$1,231,000	\$70,417,500
Total Basic Services	\$225,255,970	-\$1,231,000	\$224,024,970
Fire, EMS Services for Weekends & Events			
53-Fire - Events Staffing	\$225,030	\$0	\$225,030

¹Expenditures not offset by fees, fines, forfeitures, or grants or other funds.



Table A-6. Regulation, Inspection & Conservation

Allocation Factors	Population	Employees	Visitors
Number	715,884	540,667	159,781
Percent	50.5%	38.2%	11.3%
Distribution of Expenditures	\$7,236,000	\$5,465,000	\$1,615,000
Per Capita, Employee and Visitor	\$10.11	\$10.11	\$10.11
	GSD + USD Expenditures	Unrecovered SPF Expenditures¹	Total Direct Expenditures
Regulation, Inspection & Conservation			
33-Codes Administration	\$13,330,100	\$0	\$13,330,100
34-Beer Permit Board	\$616,000	\$0	\$616,000
35-Agricultural Extension	\$369,900	\$0	\$369,900
	\$14,316,000	\$0	\$14,316,000
¹ Expenditures not offset by fees, fines, forfeitures, or grants or other funds.			



Table A-7. Social & Health Services

Allocation Factors	Population	Employees	Visitors
Resident-Serving Functions			
Number	715,884	540,667	159,781
Percent	100.0%	0.0%	0.0%
Distribution of Expenditures	\$36,483,400	\$0	\$0
Per Capita, Employee and Visitor	\$50.96	\$0.00	\$0.00
Hotel and Restaurant Inspections			
Number	715,884	540,667	159,781
Percent	33.8%	51.1%	15.1%
Distribution of Expenditures	\$137,600	\$207,800	\$61,400
Per Capita, Employee and Visitor	\$0.19	\$0.38	\$0.38
Double-weights employees and visitors relative to residents			
	GSD + USD Expenditures	Unrecovered SPF Expenditures¹	Total Direct Expenditures
Social & Health Services			
Resident-Serving Functions			
37-Social Services	\$8,083,100	\$0	\$8,083,100
38-Health Department (less inspections below)	\$27,795,470	\$50,000	\$27,845,470
44-Human Relations Commission	\$554,800	\$0	\$554,800
Total Resident-Serving	\$36,433,370	\$50,000	\$36,483,370
Environmental Health Serving Restaurants, Hotels			
38-Health Department - Inspections	\$406,730	\$0	\$406,730
Environmental Health has 26 FTEs of the Health Department's 244 non-grant-supported FTEs. Analysis estimates 10% of Health Department expenditures are related to businesses and visitor-serving establishments.			
¹ Expenditures not offset by fees, fines, forfeitures, or grants or other funds.			



Table A-8. Libraries, Recreation & Cultural

Allocation Factors	Population	Employees	Visitors
Resident-Serving Functions			
Number	715,884	540,667	159,781
Percent	100.0%	0.0%	0.0%
Distribution of Expenditures	\$38,841,600	\$0	\$0
Per Capita, Employee and Visitor	\$54.26	\$0.00	\$0.00
Parks & Recreation			
Number	715,884	540,667	159,781
Percent	100.0%	0.0%	0.0%
Distribution of Expenditures	\$48,054,800	\$0	\$0
Per Capita, Employee and Visitor	\$67.13	\$0.00	\$0.00
Parks & Recreation - Visitor Attractions			
Number	715,884	540,667	159,781
Percent	0.0%	0.0%	100.0%
Distribution of Expenditures	\$0	\$0	\$583,700
Per Capita, Employee and Visitor	\$0.00	\$0.00	\$3.65
Parthenon serves visitors with 17 full- and part-time and seasonal employees, assumed to be 8 FTEs.			
Parks & Recreation has 1,319 positions and 646 FTEs.			
1.2 percent (8/646) of budget attributable to visitors.			
Metro Sports Authority			
Number	715,884	540,667	159,781
Percent	75.0%	0.0%	25.0%
Distribution of Expenditures	\$1,139,700	\$0	\$379,900
Per Capita, Employee and Visitor	\$1.59	\$0.00	\$2.38
Municipal Auditorium			
Number	715,884	540,667	159,781
Percent	0.0%	50.0%	50.0%
Distribution of Expenditures	\$0	\$0	\$0
Per Capita, Employee and Visitor	\$0.00	\$0.00	\$0.00
	GSD + USD Expenditures	Unrecovered SPF Expenditures¹	Total Direct Expenditures
Libraries, Recreation & Cultural			
39-Public Library	\$34,660,300	\$114,000	\$34,774,300
41-Metro Arts Commission	\$4,067,300	\$0	\$4,067,300
	\$38,727,600	\$114,000	\$38,841,600
40-Parks & Recreation	\$48,054,838	\$0	\$48,054,838
40-Parks & Recreation-Parthenon	\$583,662	\$0	\$583,662
64-Metro Sports Authority	\$1,519,600	\$0	\$1,519,600
61-Municipal Auditorium	\$0	\$0	\$0
¹ Expenditures not offset by fees, fines, forfeitures, or grants or other funds.			



Table A-9. Education

Allocation Factors	School-Aged Population	Employees	Visitors
Education			
School-Aged Population	153,191	540,667	159,781
Percent	100.0%	0.0%	0.0%
Distribution of Expenditures	\$1,014,661,600	\$0	\$0
Per School-Aged Child	\$6,624	\$0.00	\$0.00
Per Capita			
Arts Center	\$587	\$0.00	\$0.00
Capitol Mall	\$707	\$0.00	\$0.00
East Bank	\$1,506	\$0.00	\$0.00
Jefferson St	\$2,126	\$0.00	\$0.00
Phillips Jackson	\$970	\$0.00	\$0.00
Rutledge Hill	\$495	\$0.00	\$0.00
Skyline	\$1,835	\$0.00	\$0.00
One Bellevue Place	\$872	\$0.00	\$0.00
	Children Aged 4-17	Percent of County	
Arts Center	171	0.11%	
Capitol Mall	222	0.14%	
East Bank	63	0.04%	
Jefferson St	69	0.05%	
Phillips Jackson	525	0.34%	
Rutledge Hill	157	0.10%	
Skyline	82	0.05%	
One Bellevue Place	64	0.04%	
Davidson County	153,191	100.0%	
	GSD + USD Expenditures	Unrecovered SPF Expenditures¹	Total Direct Expenditures
Education			
80-Metro Nashville Public Schools	\$1,014,661,600	\$0	\$1,014,661,600

¹Expenditures not offset by fees, fines, forfeitures, or grants or other funds.



Table A-10. Other Funds & Administrative			
Allocation Factors	Population	Employees	Visitors
Other Resident-Serving Functions			
Number	715,884	540,667	159,781
Percent	100.0%	0.0%	0.0%
Distribution of Expenditures	\$57,132,500	\$0	\$0
Per Capita, Employee and Visitor	\$79.81	\$0.00	\$0.00
Administrative			
Number	715,884	540,667	159,781
Percent	50.5%	38.2%	11.3%
Distribution of Expenditures	\$53,028,700	\$40,049,600	\$11,835,700
Per Capita, Employee and Visitor	\$74.07	\$74.07	\$74.07
Metro Transit Authority			
Number	715,884	540,667	159,781
Percent	36.8%	55.0%	8.2%
Distribution of Expenditures	\$19,069,900	\$28,509,700	\$4,256,300
Per Capita, Employee and Visitor	\$26.64	\$52.73	\$26.64
Self-Supporting Services			
Number	715,884	540,667	159,781
Percent	50.5%	38.2%	11.3%
Distribution of Expenditures	\$0	\$0	\$0
Per Capita, Employee and Visitor	\$0.00	\$0.00	\$0.00
	GSD + USD Expenditures	Unrecovered SPF Expenditures¹	Total Direct Expenditures
Other Funds & Administrative			
Other Resident-Serving Functions			
66/67/69-Hospital Authority	\$49,560,000	\$0	\$49,560,000
75-Metro Action Commission ²	\$7,572,500	\$0	\$7,572,500
Total Resident-Serving	\$57,132,500	\$0	\$57,132,500
Self-Supporting Functions			
60-Farmers' Market	\$0	\$0	\$0
62-Board of Fair Commissioners	\$0	\$0	\$0
60271-Convention Center Authority	\$0	\$0	\$0
65-Water & Sewer Services Fund	\$0	\$0	\$0
301501-30503-Waste Services	\$0	\$0	\$0
68-District Energy System	\$0	\$0	\$0
30005-Central BID	\$0	\$0	\$0
38005-Gulch CBID	\$0	\$0	\$0
30031, 30041-47, 30088-Hotel Tax Funds	\$0	\$0	\$0
Total Self-Supporting	\$0	\$0	\$0
01-Administrative	\$104,914,000	\$0	\$104,914,000
78-Metro Transit Authority³	\$51,835,900	\$0	\$51,835,900
¹ Expenditures not offset by fees, fines, forfeitures, or grants or other funds.			
² Subsidy from Administrative, Budget Item 01101204.			
³ Subsidy from Administrative Budget Item 01101304.			



Table A-11. Four-Percent Reserve Fund			
Allocation Factors	Population	Employees	Visitors
Total of Expenditure Factors	\$10,200.96	\$825.17	\$854.05
Percent	85.9%	6.9%	7.2%
Percent of Revenues	4.0%	4.0%	4.0%
Per Capita, Employee and Visitor	\$408.04	\$33.01	\$34.16
	GSD + USD Expenditures	Unrecovered SPF Expenditures¹	Total Direct Expenditures
30003-4% Reserve Fund	\$50,444,800	\$0	\$50,444,800

¹Expenditures not offset by fees, fines, forfeitures, or grants or other funds.

Table A-12. Real Estate Trends in Redevelopment Districts, 2000-2021				
Land Use	2000	2021	2000-2021 Change	
			Number	Percent
Multi-Family				
Total Units	839	7,540	6,701	799%
Number of Developments	22	55		
Office				
Total Square Feet	8,177,029	11,334,350	3,157,321	39%
Number of Developments	280	262		
Retail				
Total Square Feet	3,052,361	3,259,565	207,204	7%
Number of Developments	400	384		
Hospitality				
Total Hotel Rooms	2,450	8,325	5,875	240%
Number of Developments	15	38		

Source: CoStar, 2022; Partners for Economic Solutions, 2022.

349 Cedar Street, NW
Washington, DC 20012
www.PESconsult.com